



The World's Daily Newspaper

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Paris, Monday, May 22, 1995

No. 34,906

Coalition Led By Dehaene Holds Lead In Belgium

Extreme Rightists Fail, Socialist Losses Slight Despite Wide Scandals

By Tom Buckle
International Herald Tribune

BRUSSELS — The center-left government of Prime Minister Jean-Luc Dehaene appeared headed for a new mandate on Sunday as the scandal-tainted Socialists suffered fewer losses than expected in national elections and extreme-right parties failed to make a decisive breakthrough.

The coalition's unexpectedly strong showing increased the prospect that Mr. Dehaene would be able to re-establish his government quickly and push through budget reforms aimed at attacking the massive debt and 10-percent unemployment.

Initial projections by a pollster, Kris Deschouwer, estimated that the four-party coalition of Flemish and French Christian Democrats and Socialists would win about 80 seats in the new 150-seat chamber, compared with a previous 120 out of 212 in the old chamber.

The other big surprise was the failure of the far right to profit significantly from the corruption scandals, and public weariness with unemployment and prolonged budget austerity.

The Vlaams Blok, whose call for repatriating immigrants to combat unemployment is modeled on Jean-Marie Le Pen's National Front in France, looked likely to exceed the 10.3 percent of the Flemish vote that it took in the 1991 national election but not the 12.3 percent won in last year's elections for the European Parliament.

In Antwerp, it remained the largest party but its 26.7 percent of the vote was below the nearly 30 percent it obtained in municipal elections last year, a score that shocked the Belgian political establishment.

"The Vlaams Blok cannot double its election score at every election," acknowledged Filip De Winter, the party leader in Antwerp.

"My party is doing well, even very well," Wilfried Mariens, a senior Christian Democrat who presided Mr. Dehaene as prime minister, said on BRTN television. "So I think that the present majority can be maintained at this moment."

Although results were delayed by computer breakdowns and the introduction of complex balloting procedures under recent constitutional changes, early tallies indicated that Mr. Dehaene's Flemish Christian Democratic Party would remain the largest party in Flanders, and hence the country, beating back a challenge from the Liberal Party of Guy Verhofstadt.

That was expected, given the growing respect and popularity Mr. Dehaene has won over the past four years. But the strong showing of the Flemish Socialists was a huge surprise following bribery allegations that forced Foreign Minister Franck Vandenbroucke to resign last month and Willy Claes, secretary-general of NATO, to appear before judicial investigators last week.

The Flemish Socialists appeared set to gain seats in the 150-seat Chamber of Representatives. "Nobody expected this result for the Socialist Party," said a party spokesman, Fons von Dyck. "The current coalition will remain in power. There is no Liberal alternative."

The strong showing by Christian Democrats and Socialists in Flanders, the Dutch-speaking northern half of Belgium, appeared likely to offset modest losses by their sister parties in Wallonia, the French-speaking southern half.

Three senior Walloon Socialists resigned last year over allegations of so-called "gifts" to the party from the Italian helicopter maker Agusta, similar to the allegations that have plagued the Flemish Socialists.

The result appeared to be a vindication for Mr. Dehaene, who called the poll in February in a bid to benefit from an economic upswing.



Mr. Dehaene being offered coffee Sunday by a member of homeless action group at Belgian voting station in Vilvoorde.

Japan Rejects Talks On Trade Until U.S. Drops Sanction Threat

By Alan Friedman
International Herald Tribune

PARIS — Japan on Sunday all but ruled out the chance of any fresh talks with the United States this week on the growing trade dispute over cars and car parts, with senior officials from Tokyo saying no negotiations could be held unless Washington dropped its threat of imposing \$5.9 billion worth of punitive tariffs.

At the same time Mickey Kantor, the U.S. trade representative who will be in Europe on Monday, said Washington would not back down until Tokyo took an initiative.

The U.S. threat last week of hefty sanctions against Japanese luxury car imports has already caused worldwide concern about a possible trade war.

It is also likely to cast a shadow over the meeting here this week of the Organization for Economic Cooperation and Development, where Japanese diplomats are trying to lobby other delegations to criticize the United States' unilateral trade threat.

Some progress had been expected on the U.S.-Japanese clash because Mr. Kantor and Ronald H. Brown, the U.S. commerce secretary, will be present Tuesday at the meeting of the 25-country economic think tank, as will Ryutaro Hashimoto, Japan's trade minister.

But with both Washington and Tokyo standing firm, Japan has started a major diplomatic offensive in Europe, aimed at persuading members of the European

Union and the OECD to side with Tokyo against the U.S. threat.

A top aide to Mr. Hashimoto said in an interview here Sunday that Mr. Kantor and his Japanese counterpart "might say hello to each other in the corridor during the OECD meetings, but no specific meeting is scheduled."

The Japanese aide, Hisashi Hosokawa, added that "we are not refusing to meet with the Americans, but Mr. Hashimoto will not meet Mr. Kantor to discuss the car issue as long as the U.S. sanctions threat exists."

He added that the two men could still discuss other matters, such as outstanding questions regarding intellectual property rights and technology cooperation.

The Japanese trade official said Tokyo expected the United States to respond to its request for mediation at the new World Trade Organization, which it filed last week. "The ball is in Washington's court," Mr. Hosokawa said.

Mr. Kantor, who will arrive in Paris on Monday after a stopover in Brussels for talks with Sir Leon Brittan, the European Union trade commissioner, also took a tough line. He said by telephone from Washington on Sunday that the United States would not easily drop its threat of sanctions.

"I would hope my colleagues in the Japanese government would look at the situation, recognize how closed their markets have been and sit down and review the situation," Mr. Kantor said.

He added that for the United States to lift its sanctions threat under section 301 of U.S. trade legislation, Japan would have to "open their markets, end the discrimination, deregulate and provide fair opportunity."

See TRADE, Page 6

China Holds 5 as Tiananmen Anniversary Nears

Compiled by Our Staff From Dispatches

BEIJING — China has detained five prominent dissidents and stepped up the surveillance of others as the sixth anniversary of the Tiananmen Square crackdown on June 4, 1989, approaches.

On Sunday, the police detained Wang Dan, who was jailed for four years as a leader of the 1989 demonstrations, and Liu Nianchun, who was taken from his home in Beijing, according to his wife, Chu Hailan.

Three other dissidents were detained Saturday: Wang Xizhe, a longtime dissident who spent 12 years in prison for his role in the 1978-81 Democracy Wall movement, which advocated human rights, democracy and the rule of law; Liu Xiaobo, a Beijing professor involved in Tiananmen Square protests in 1989; and Huang Xiang, poet and dissident.

The detentions came less than a week after Mr. Huang and 44 other leading intellectuals petitioned the government

to show greater tolerance and reverse the label of "counterrevolutionary" imposed on the Tiananmen Square demonstrators. Instead of tolerance, the government appears to have shown that it remains on guard against its leading critics.

As the anniversary of the crackdown nears, the government has also reportedly ordered schools and work units to harp people from traveling to the capital.

Before his detention Sunday, the government ordered Liu Nianchun, a dissi-

dent imprisoned for three years for participating in the 1978 Democracy Wall movement, to leave Beijing during the anniversary period, human rights sources said. Mr. Liu had signed a petition to Chinese leaders.

Liu Xiaobo, one of the last people to leave Tiananmen Square as troops closed in on the demonstrators, was taken from his girlfriend's home Wednesday, ac-

See CHINA, Page 6

AGENDA

Hariri Renamed To Lead Lebanon

BEIRUT (Reuters) — President Elias Hrawi of Lebanon named Rafik Hariri for a second term as prime minister on Sunday, two days after the billionaire tycoon who spearheaded Lebanon's postwar revival had resigned as head of government.

Mr. Hariri, who will consult with the 128 legislators on Monday and Tuesday on the shape of the new cabinet, said shortly after his nomination that he wanted to form a more cohesive government that would continue the march of postwar reconstruction.

PAGE TWO

Youngsters in the Workplace

THE AMERICAS Page 3

Rifle Association Under Fire

BUSINESS/FINANCE Page 11

Lloyd's Limps Forward

Opinion Page 8 Sports Pages 15-17

Books Page 6 Crossword Page 17

International Classified Page 4



BURDENED — P. V. Narasimha Rao, the embattled prime minister of India, praying Sunday under the gaze of Sonia Gandhi, the widow of Rajiv Gandhi, on the fourth anniversary of the assassination of her husband. Page 4.

End of the Drive-By White House View

By Ann Devroy
and Steve Vogel
Washington Post Service

WASHINGTON — Lamenting the "changing nature and scope" of terrorist threats, President Bill Clinton abruptly has closed Pennsylvania Avenue in front of the White House to motor vehicle traffic, shutting a symbol of national openness that had endured from the founding of the capital.

Police cruisers sealed off the avenue be-

tween 15th and 17th streets and U.S. Park Service workers began setting up wooden sawhorses. The sawhorses were later replaced by concrete barriers, which were also used to seal off parts of Lafayette Square, State Place and South Executive Avenue, behind the Old Executive Office Building.

"It's history," said Robert Williams, a Park Service employee who helped put up the barriers Saturday. "It shows the changing times and the way things are today."

Kenneth Dale Bristow, a security guard walking home after his overnight shift, greeted the new avenue with a look of stunned dismay.

"Having Pennsylvania Avenue open gave me a really good feeling," he said. "I understand that 40 years ago, there wasn't even a fence around the White House. To see this happening is very discouraging."

Mr. Clinton directed Treasury Secretary Robert E. Rubin to close off the avenue on Friday night after he was briefed on the results of an eight-month review of security at the White House done by a team of experts and vetted by a panel of six outsiders.

Closing the street was one of 11 recommendations from the panel he accepted.

Mr. Clinton announced the decision in his weekly radio address. He said that he was reluctant to accept the recommendations, but that "it would be irresponsible to ignore considered opinion or to obstruct their decisions about the safety of our public officials."

Closing the street, he said, is a "practical step" to protect against a terrorist attack and should be seen "as a responsible security step necessary to preserve our freedom, not part of a long-term restriction on our freedom."

The decision was made with no public debate or prior notice and with much of the justification contained in classified documents that administration officials would not describe.

The White House broadly interpreted the Treasury Department's legal authority to protect the president as sufficient authority to close streets. Officials posted notices on lampposts as the barricades

See AVENUE, Page 6

Scheme's Losers: So Rich, So Credulous

By Sharon Walsh
Washington Post Service

WASHINGTON — How could they be so gullible?

The individuals who believed that the Foundation for New Era Philanthropy, outside Philadelphia was going to double their money in six months included former Treasury Secretary William E. Simon, who gave the foundation \$6.5 million, and Laurence S. Rockefeller, who gave \$11.3 million.

The nonprofit groups that entrusted their money to New Era included the Nature Conservancy, the University of Pennsylvania and numerous small Christian colleges.

New Era's president, John G. Bennett Jr., told his clients that their money would be doubled, or matched, by seven wealthy donors who wished to do good works but remain anonymous. The list of donors' names was so secret that Mr.

Bennett said he kept it in a safe-deposit box.

But, investigators say, the safe-deposit box was empty and Mr. Bennett's organization was a giant Ponzi scheme, in which early investors were paid from the proceeds of later ones. Last week, a federal bankruptcy judge ordered the liquidation of New Era, which has assets of \$80 million and liabilities of \$550 million.

That may mean hard times for some charities and universities that had placed money with New Era. Some were so tempted by the promises of matching funds that they borrowed the money to give New Era and have nothing to show for it but their debt.

Mr. Bennett insisted that his clients had to turn the money they wanted matched over to New Era because "that's the way the anonymous donors want it."

Mr. Bennett told other clients that he needed to invest their money so that his

organization could use the interest for operating expenses.

Mr. Bennett, New Era's founder and a former drug counselor, is now accused of fraud by the Securities and Exchange Commission, which says he diverted \$4.2 million from New Era to his own businesses. He has denied wrongdoing.

The New Era case is just one in a long line of deals in which people or institutions who wanted to make big money fast were clobbered by their own lack of skepticism. Americans lost about \$100 billion to white-collar fraud last year, according to government estimates.

One longtime investigator of securities fraud was mystified. "Why can this happen and happen on such a scale to people who should know better?" the investigator asked. "You can only sit dumbfounded."

But others said the answer was simple

See SCHEME, Page 6

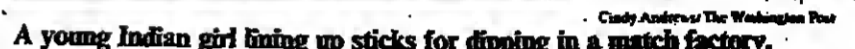
Newstand Prices	
Andorra.....\$9.00	FF Luxembourg.....\$9.00
Archie.....\$1.20	FF Morocco.....\$1.20
Archie.....\$1.20	FF Morocco.....\$1.20
Cameroon 1,400 CFA	Qatar.....\$8.00
Egypt.....\$5.00	Reunion.....\$11.20
France.....\$9.00	FF Saudi Arabia.....\$9.00
Gabon.....\$8.00	CFA Senegal.....\$8.00
Greece.....\$3.50	Dr. Spain.....\$2.25
Italy.....\$2.80	FF Taiwan.....\$1.25
Ivory Coast 1,200 CFA	Turkey.....\$1.45
Jordan.....\$1.00	U.A.E.....\$8.50
Lebanon.....\$1.50	U.S. Mil. (Eur.).....\$1.10

Life Without Play for India's Child Laborers

At the same time, thousands of new industries are opening to supply both export demands and India's growing middle class. Large numbers of Western countries are farming out labor to factories in Third World countries where

"No one will say child labor is good," said Ram Chandra Maunya of the Mirzapur-based Prasad Carpet Emporium, which ships carpets to the United States. "But what is the alternative for these poor children?" he added. "There's a lot of pressure to remove them from the

In India, 4,000 people have been convicted of violating child labor laws, but 3,500 of the accused were fined the equivalent of only \$5 according to a



Rather than reducing child labor, the laws and the negative publicity have prompted factory owners to find new ways of circumventing legal restrictions — and of dodging activists who conduct surprise raids to rescue child workers.

factories with dozens of looms, factory owners parcel the work out to smaller loom owners, subcontractors in distant villages where it is more difficult for government workers, journalists and anti-child-labor groups to inspect the premises. The practice also allows owners to exploit the fact that Indian law does not prohibit the use of child labor in small shops and industries.

Pope Appeals for Christian Unity on Czech Trip

He returned to the theme of the Roman Catholic Church's historical failings at a rally for more than 10,000 young people at the hilltop shrine of Svaty Kopecek, outside Olomouc.

The canonization of Jan Sarkander on Sunday cast a shadow over the Pope's three-day visit, which is to include a brief trip across the border into his native Poland on Monday.

Prague, Czechoslovakia, which has a Roman Catholic majority, the Czech Republic has some deep Protestant roots stretching back to the Hussite movement founded by the reformer Jan Hus, who was burned at the stake in 1415. (Reuters, NYT)

TRAVEL UPDATE

A Promising Summer for U.S. Travel

Summer 1995, which the industry defines as the more than three months from Memorial Day to Labor Day, is expected to get off to a roaring start next week when about 29.8 million travelers take advantage of the long Memorial Day weekend to visit relatives or friends, amusement parks or art museums, beaches or baccarat tables.

The American Automobile Association and the Air Transport Association have predicted that Memorial Day will mark the beginning of a summer of record crowds on the highways and in the air. By Labor Day, if the projections prove correct, Americans will have taken 230 million trips of 100 miles (160 kilometers) or more away from home, a 2 percent increase compared with last summer.

Most restaurants in New York City are abiding by a 6-week-old ban on smoking, despite angry protests by some owners that it is costing them business, leaving the dining rooms of large restaurants and taverns almost smoke-free, the city and a restaurant survey publisher have reported. (NYT)

This Week's Holidays
Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

MONDAY: Bulgaria, Canada, Sri Lanka, Yemen.
TUESDAY: Bulgaria, Jamaica, Morocco.

WEDNESDAY: Belize, Democratic Republic of Congo, Bulgaria, Burma, Ecuador.

THURSDAY: Andorra, Argentina, Austria, Belgium, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Central African Republic, Chad, Denmark, Finland, France, Germany, Iceland, Indonesia, Ivory Coast, Jordan, Lesotho, Liechtenstein, Luxembourg, Madagascar, Mali, Mauritania, Monaco, Namibia, Netherlands, Norway, Rwanda, Senegal, Switzerland, Sweden, Switzerland, Tonga.

FRIDAY: Belgium, Georgia.


Sources: J.P. Morgan, Reuters.

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As Zaire Eases Controls, Ebola Death Toll Mounts

The United Nations agency also said that the first fatal cases of Ebola fever in the Kikwenzo area dated back to last December, but to March 1995 as

The latest figures represent an increase of four deaths since Saturday, when the WHO reported a total of 128 cases from late March, including 37 people

Zaïdian authorities, meanwhile, lifted a blockade aimed at preventing people from entering the capital of Kinshasa from the virus-infected region.

No matter what country you're traveling to,
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COUNTRIES		ACCESS NUMBERS		COUNTRIES		ACCESS NUMBERS		COUNTRIES		ACCESS NUMBERS		COUNTRIES		ACCESS NUMBERS	
Albania (landline phones)	433-1890	Albania	99-585-011	Ireland	1-800-33-2001	Malaysia (Singapore)	171	Malta	001-999-33-677	Mexico	115	Norway	001-999-33-677	Poland	000-754-477
Anguilla (landline phones)	80	Cyprus	080-900-011	Ireland	171-075-2723	Mexico	115	Norway	001-999-33-677	Mexico	115	Norway	001-999-33-677	Poland	000-754-477
Antigua (pay service)	001-800-246-4663	Czech Republic	0043-067-187	Italy	172-1877	Morocco	103-611	Portugal	00190-500-510	Philippines (Manila)	103-611	Portugal	00190-500-510	Portugal	00190-500-510
Argentina	001-800-777-1111	Denmark	000-0-0677	Japan (Tokyo)	073	Norway	001-999-33-677	Portugal	00190-500-510	Philippines (Manila)	103-611	Portugal	00190-500-510	Portugal	00190-500-510
Australia	8-10-133	Dominican Republic	318-8-77	Jerusalem (Jerusalem/Jericho)	999-0-171	Poland	000-754-477	Portugal	00190-500-510	Philippines (Manila)	103-611	Portugal	00190-500-510	Portugal	00190-500-510
Australia (Home)	1-800-551-10	Egypt	1-800-551-10	Kenya	0046-5-877-8000	Portugal	00190-500-510	Portugal	00190-500-510	Philippines (Manila)	103-611	Portugal	00190-500-510	Portugal	00190-500-510
Australia (Home)	1-800-831-877	Egypt (Cairo)	354-677-77	Kenya (Nairobi)	0046-5-877-8000	Portugal	00190-500-510	Portugal	00190-500-510	Philippines (Manila)	103-611	Portugal	00190-500-510	Portugal	00190-500-510
Austria	023-093-014	ES (Sevilla)	191	Japan (Osaka)	0033-111	Portugal	00190-500-510	Portugal	00190-500-510	Philippines (Manila)	103-611	Portugal	00190-500-510	Portugal	00190-500-510
Bahamas	1-800-389-0171	FI (Helsinki)	004-070-100-3	Korea	060-12	Portugal	00190-500-510	Portugal	00190-500-510	Philippines (Manila)	103-611	Portugal	00190-500-510	Portugal	00190-500-510
Bahrain	900-777	FR (Paris)	980-0-0284	Korea (Seoul)	002-133	Portugal	00190-500-510	Portugal	00190-500-510	Philippines (Manila)	103-611	Portugal	00190-500-510	Portugal	00190-500-510
Barbados	1-800-877-8000	France	01-60-067	Korea (Seoul)	002-133	Portugal	00190-500-510	Portugal	00190-500-510	Philippines (Manila)	103-611	Portugal	00190-500-510	Portugal	00190-500-510
Belgium	0800-10004	Germany	0130-001-1	Libya	013-0777	Portugal	00190-500-510	Portugal	00190-500-510	Philippines (Manila)	103-611	Portugal	00190-500-510	Portugal	00190-500-510
Bermuda	1-800-423-0577	Greece	020-001-411	Libya	013-0777	Portugal	00190-500-510	Portugal	00190-500-510	Philippines (Manila)	103-611	Portugal	00190-500-510	Portugal	00190-500-510
Bolivia	0800-3333	Grenada	900-1336	Malaysia	0800-0115	Portugal	00190-500-510	Portugal	00190-500-510	Philippines (Manila)	103-611	Portugal	00190-500-510	Portugal	00190-500-510
Brazil	900-898	Guatemala	193	Mexico	0800-0121	Portugal	00190-500-510	Portugal	00190-500-510	Philippines (Manila)	103-611	Portugal	00190-500-510	Portugal	00190-500-510
British Virgin Islands	1-800-877-8000	Honduras	121	Mexico	0800-0115	Portugal	00190-500-510	Portugal	00190-500-510	Philippines (Manila)	103-611	Portugal	00190-500-510	Portugal	00190-500-510
Bulgaria	00-800-010	Hong Kong	800-1877	Mexico	0800-0115	Portugal	00190-500-510	Portugal	00190-500-510	Philippines (Manila)	103-611	Portugal	00190-500-510	Portugal	00190-500-510
Canada	1-800-877-8000	Hong Kong	800-1877	Mexico	0800-0115	Portugal	00190-500-510	Portugal	00190-500-510	Philippines (Manila)	103-611	Portugal	00190-500-510	Portugal	00190-500-510
Cayman Islands	1-800-364-4663	Hungary	004-000-01-877	Mexico	0800-0115	Portugal	00190-500-510	Portugal	00190-500-510	Philippines (Manila)	103-611	Portugal	00190-500-510	Portugal	00190-500-510
Chile	000-06717	Iceland	800-8003	Netherlands	066-223-9119	Portugal	00190-500-510	Portugal	00190-500-510	Philippines (Manila)	103-611	Portugal	00190-500-510	Portugal	00190-500-510
China	104-15	India	000-137	Netherlands	066-223-9119	Portugal	00190-500-510	Portugal	00190-500-510	Philippines (Manila)	103-611	Portugal	00190-500-510	Portugal	00190-500-510
Colombia	900-730-010	Indonesia	000-301-13	Netherlands	066-223-9119	Portugal	00190-500-510	Portugal	00190-500-510	Philippines (Manila)	103-611	Portugal	00190-500-510	Portugal	00190-500-510
Costa Rica	9800-001-0123	Indonesia	000-301-13	Netherlands	066-223-9119	Portugal	00190-500-510	Portugal	00190-500-510	Philippines (Manila)	103-611	Portugal	00190-500-510	Portugal	00190-500-510
Croatia	9800-001-0123	Indonesia	000-301-13	Netherlands	066-223-9119	Portugal	00190-500-510	Portugal	00190-500-510	Philippines (Manila)	103-611	Portugal	00190-500-510	Portugal	00190-500-510
Cuba	9800-001-0123	Indonesia	000-301-13	Netherlands	066-223-9119	Portugal	00190-500-510	Portugal	00190-500-510	Philippines (Manila)	103-611	Portugal	00190-500-510	Portugal	00190-500-510
Czech Republic	0043-067-187	Indonesia	000-301-13	Netherlands	066-223-9119	Portugal	00190-500-510	Portugal	00190-500-510	Philippines (Manila)	103-611	Portugal	00190-500-510	Portugal	00190-500-510
Dominican Republic	318-8-77	Indonesia	000-301-13	Netherlands	066-223-9119	Portugal	00190-500-510	Portugal	00190-500-510	Philippines (Manila)	103-611	Portugal	00190-500-510	Portugal	00190-500-510
Egypt	1-800-551-10	Indonesia	000-301-13	Netherlands	066-223-9119	Portugal	00190-500-510	Portugal	00190-500-510	Philippines (Manila)	103-611	Portugal	00190-500-510	Portugal	00190-500-510
Egypt (Cairo)	354-677-77	Indonesia	000-301-13	Netherlands	066-223-9119	Portugal	00190-500-510	Portugal	00190-500-510	Philippines (Manila)	103-611	Portugal	00190-500-510	Portugal	00190-500-510
ES (Sevilla)	191	Indonesia	000-301-13	Netherlands	066-223-9119	Portugal	00190-500-510	Portugal	00190-500-510	Philippines (Manila)	103-611	Portugal	00190-500-510	Portugal	00190-500-510
FI (Helsinki)	004-070-100-3	Indonesia	000-301-13	Netherlands	066-223-9119	Portugal	00190-500-510	Portugal	00190-500-510	Philippines (Manila)	103-611	Portugal	00190-500-510	Portugal	00190-500-510
FR (Paris)	980-0-0284	Indonesia	000-301-13	Netherlands	066-223-9119	Portugal	00190-500-510	Portugal	00190-500-510	Philippines (Manila)	103-611	Portugal	00190-500-510	Portugal	00190-500-510
France	01-60-067	Indonesia	000-301-13	Netherlands	066-223-9119	Portugal	00190-500-510	Portugal	00190-500-510	Philippines (Manila)	103-611	Portugal	00190-500-510	Portugal	00190-500-510
Germany	0130-001-1	Indonesia	000-301-13	Netherlands	066-223-9119	Portugal	00190-500-510	Portugal	00190-500-510	Philippines (Manila)	103-611	Portugal	00190-500-510	Portugal	00190-500-510
Greece	020-001-411	Indonesia	000-301-13	Netherlands	066-223-9119	Portugal	00190-500-510	Portugal	00190-500-510	Philippines (Manila)	103-611	Portugal	00190-500-510	Portugal	00190-500-510
Grenada	900-1336	Indonesia	000-301-13	Netherlands	066-223-9119	Portugal	00190-500-510	Portugal	00190-500-510	Philippines (Manila)	103-611	Portugal	00190-500-510	Portugal	00190-500-510
Guatemala	193	Indonesia	000-301-13	Netherlands	066-223-9119	Portugal	00190-500-510	Portugal	00190-500-510	Philippines (Manila)	103-611	Portugal	00190-500-510	Portugal	00190-500-510
Honduras	121	Indonesia	000-301-13	Netherlands	066-223-9119	Portugal	00190-500-510	Portugal	00190-500-510	Philippines (Manila)	103-611	Portugal	00190-500-510	Portugal	00190-500-510
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Imprimé par Ollivier, 73 rue de l'Écuillon, 75018 Paris.

THE AMERICAS

Rifle Association Is Under Fire (and Is Returning It)

By B. Drummond Ayres
New York Times Staff

PHOENIX, Arizona — Probably no institution in American political and cultural life has had its obituary written more often than the National Rifle Association.

Yet again and again it has risen from the dead. Witness the congressional elections last fall in which, despite earlier passage of the Brady law and other regulations governing the sale of handguns and assault rifles, the organization played a significant role in electing the friendlier Republican majority.

With 22,000 members of the association gathered here over the weekend for the group's 124th annual convention, the organization once more found itself under fire, this time facing the most withering assault in recent memory, with not only old enemies but also some old friends joining in the attack.

Predictably, the NRA is returning the fire, round for round, and if history is any guide, it is far too soon to write another obituary for this potent voice of the nation's gun lobby.

Fairly or unfairly, the Oklahoma City bombing, with its tenuous ties to members of the heavily armed rightist militias now spreading around the country, has turned out to be a public relations disaster for the NRA and the 3.5 million members it claims.

And a fund-raising letter in which the association called federal gun control agents "jackbooted government thugs" has turned out to be an even bigger disaster.

In addition to the usual assemblage of congressional, anti-gun and anti-violence critics who rushed in to scold, President Bill Clinton, himself a hunter, has accused the NRA of giving "aid and comfort" to criminals, and former President

George Bush, a hunter and longtime member, has sent in a letter of resignation.

"We have an exciting few days planned for you," Wayne LaPierre Jr., the association's executive vice president, said in a masterly understatement in his welcoming message to the conventioners.

But if the NRA is once again under siege, and if the siege is one of the worst it has ever faced, there nevertheless was no real evidence here that it was preparing to surrender.

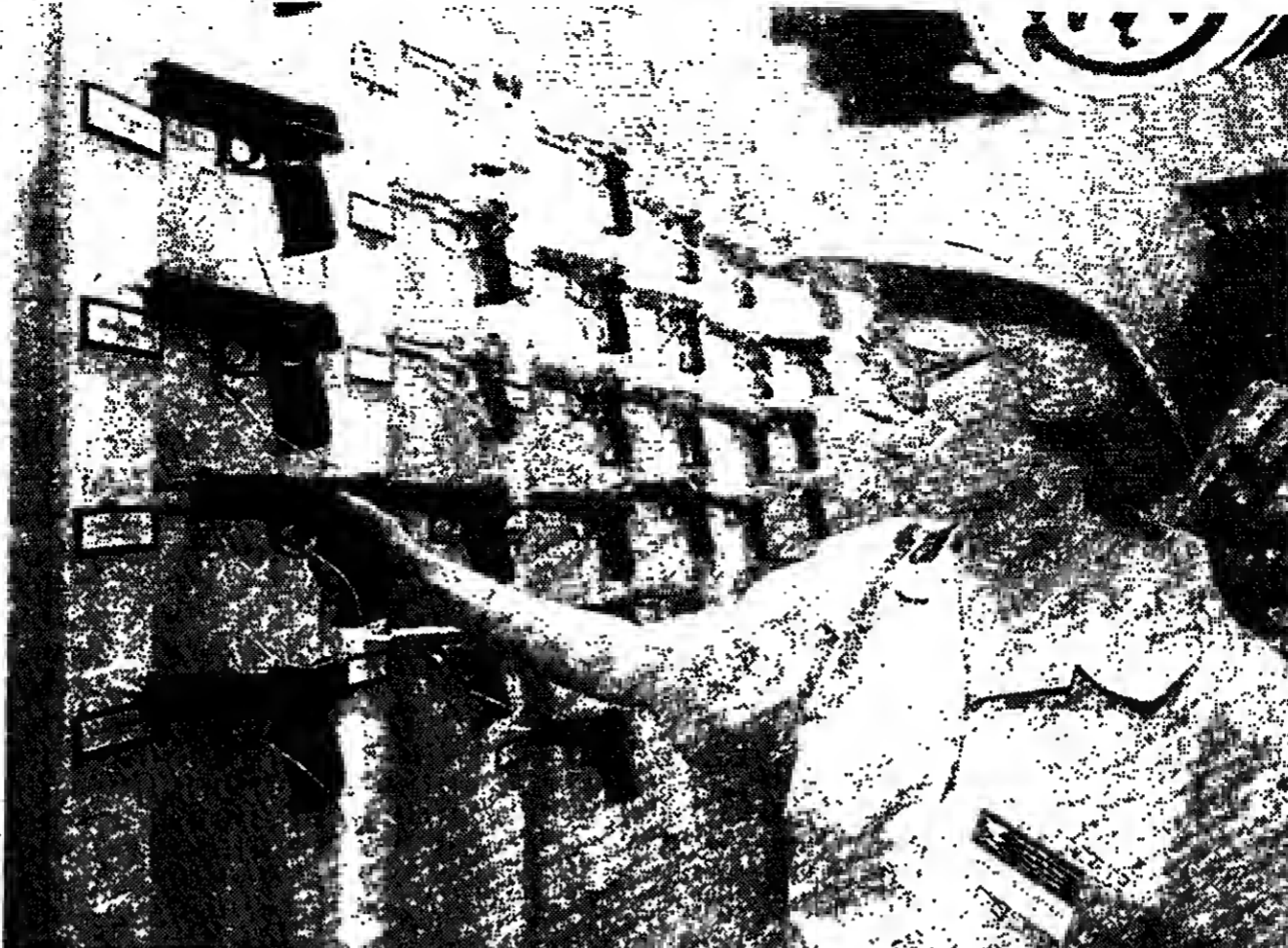
Mr. LaPierre, the author of the acerbic fund-raising letter, has offered an apology of sorts, saying he is sorry his letter was interpreted as an attack on all law officers. He said his words had been aimed only at agents of the Bureau of Alcohol, Tobacco and Firearms, the agency responsible for enforcing gun control laws.

That said, he and the huge majority of the rank and file NRA members who showed up here, were standing fast.

"The letter hit the nail on the head," said Rowan Kloppe, a lifetime member of the association from High Ridge, Missouri. "I know a lot of law enforcement officers, and I haven't met one yet who doesn't consider federal firearms agents to be a bunch of trigger-happy cowboys."

Another lifetime member, Neal Nuber of Beloit, Wisconsin, said the fund-raising letter had caused a "small split" among the NRA members because of its strong rhetoric, and he suggested that future NRA rhetoric "be more carefully worded."

Still, appearing to express the viewpoint of most conventioners here, he said the association should continue to press its cases firmly. "You have to keep the government accountable,"



A member of the National Rifle Association checking out the Smith & Wesson display at the group's convention.

he said. "We should press our opinions."

Did the group support the formation of citizen militias? "In a group of 3.5 million people," he replied, "you're going to have a few communists and a few paramilitary types. That doesn't make us bad people."

The speaker of the Arizona House, Mark Killian, took an even harder line. "This is war," he told the

conventioners in a much-applauded speech in which he boasted of his own NRA membership. "If you downgrade the Second Constitutional Amendment and its gun protection provisions, then next it's the First and on and on. Protecting them is what the NRA is all about."

The association did not start out with that as its main role. It began as a sporting organiza-

tion, promoting gun safety and target shooting and hunting and the glories of the great outdoors. But with congressional passage of major federal gun control in the late 1960s in reaction to rising violence, the NRA became more and more involved in the debate over constitutional gun rights.

Gun-Owner Backing Slips Support among American gun owners for National Rifle

Association positions has dropped significantly, with 47 percent expressing overall agreement, according to a nationwide poll, Reuters reported from New York.

The results of the Time Magazine/CNN Poll of 600 gun owners represents a drop of almost 30 percent from a December 1989 poll, which showed 67 percent overall support for positions of the group.

AMERICAN TOPICS

Cute Babies Are Cuddled More

A new study says mothers of cute newborns showed more affection toward their infants than mothers of homely babies did, as measured by such things as holding the child close, patting him or her and cooing endearments.

"We're not suggesting that parents are not completely in love with their babies even if their babies are unattractive," said Jean Ritter, a researcher. "All these mothers treated their babies positively and generally saw their babies in a favorable light."

Dr. Ritter, an assistant professor of psychology at California State University in Fresno, reported the work with Judith Langlois of the University of Texas at Austin and others in the May issue of the journal Developmental Psychology.

The study compared the behavior of 67 mothers with attractive first born babies and 69 mothers with unattractive first borns at a hospital in Austin.

Attractiveness was rated by a group of college students who looked at color photos of the babies; the mothers were not asked for their own ratings.

Short Takes

In 1990, Dorothy Diane Rose strangled her two children, Michael, 2, and Jessica, 13 months, with a bathrobe sash. Psychiatrists said she was insane, driven over the edge by fear of losing her children in a custody fight with her estranged husband. Instead of prison, she was committed to five years of psychiatric care in a hospital in Tampa, Florida. Now, she says she is cured and wants to work as a baby-sitter. A judge has set a hearing for June 6. "Given her history, we don't think it's

an appropriate area of employment for her," said Jay Primer, an assistant state attorney.

Public and college libraries are starting to throw the book at scofflaw borrowers. They are turning to courts, computer tracking, automated phone calls, collection agencies and other aggressive means to recover millions of unreturned items. Some are finding that the gentle methods of the past — fines and periodic amnesties — don't do the job. In Virginia, libraries are electronically linked to the offices of state tax auditors, who deduct library debts from tax refunds and lottery winnings.

Speaking of libraries, San Antonio has what may be the loudest library in the United States. The new \$33 million, six-story concrete building by the architect Ricardo Legorreta is a collection of bold geometric shapes, mostly in a bright "enchilada red." The name of the color was chosen in a newspaper survey. Among other nominations were Library Red, Don't Look at It With a Hangover Red and Bleeding Heart Liberal Red. The interior is also bright, mostly in yellow and purple. Said one Texan, Marybelen Isaac: "It stands out. If you say, 'Meet me at the library,' well, there it is."

The Clyde Beatty-Cole Bros. Circus blamed an impatient driver who was stuck behind a line of six circus elephants at a shopping mall in Hanover, Pennsylvania, for spooking the beasts by honking his horn. The confused, trumpeting elephants lumbered through a parking lot, sitting on cars and breaking windows in a van and an auto supply store while trainers chased them. One of the elephants, named Freda, was cut and was treated by a veterinarian as she swatted her trunk back and forth. "I work with large animals," said Dr. Donald L. Yorkes, who was delivering a calf when he was called. "Usually not this large."

International Herald Tribune.

A Buddy Implicates Suspect In Bombing, Authorities Say

By Pierre Thomas
Washington Post Service

WASHINGTON — An old army buddy of Timothy James McVeigh's has told federal prosecutors that he drove to Oklahoma City in April with Mr. McVeigh and that Mr. McVeigh told him that he planned to blow up the federal building there, according to senior law enforcement officials.

Michael Fortier, 27, told prosecutors that before the April 19 bombing, he and Mr. McVeigh drove to the Alfred P. Murrah Federal Building, apparently on a mission to size up the nine-story structure where several hundred federal employees worked.

During the trip, Mr. Fortier told authorities, Mr. McVeigh confided he was going to detonate a bomb.

"He said something to the effect that McVeigh said, 'I'm going to blow it up,'" a senior law enforcement official said Friday night.

Mr. Fortier's alleged remarks could significantly bolster the government's case against Mr. McVeigh, who along with another army buddy, Terry Nichols, is a suspect in the bombing.

Mr. Fortier made the statements after a series of discussions with federal prosecutors

and appearances before a federal grand jury.

It was unclear whether Mr. Fortier's remarks were part of a deal with federal authorities. One source said that while authorities were elated to obtain the remarks, they now had to intensify their investigation of Mr. Fortier.

"We don't want to let him off easy if he turns out to be a mastermind," the official said.

Mr. Fortier is one of a number of Mr. McVeigh's friends, relatives and associates who have come under intense scrutiny by FBI and Bureau of Alcohol, Tobacco and Firearms agents in the wake of the deadliest terrorist assault in U.S. history, which killed 167 people, including 19 children.

Federal authorities have repeatedly interviewed Jennifer McVeigh, the suspect's sister, and she was recently asked to take a polygraph test. Authorities have obtained correspondence from Mr. McVeigh to his sister in which he warned her that federal agents might be monitoring his telephone conversations with her.

Kingman, Arizona, where Mr. McVeigh lived in the months immediately preceding the bombing, has been a primary site of the federal investigation, as authorities have attempted to piece together the suspect's life and learn who his friends and associates were.

By investigating essentially everyone known to have associated with Mr. McVeigh in at least the past year, authorities hoped to find co-conspirators or new evidence that would further implicate Mr. McVeigh.

Bomb Sent to Senate Aide Was Not Political, U.S. Says

The Associated Press

WASHINGTON — A mail bomb that partly exploded in the apartment of a U.S. senator's aide, wounding the aide slightly, was not politically motivated, a government official said.

The aide, Will Smith, who works for Senator Mitch McConnell, Republican of Kentucky, received minor cuts on his hands and face when he opened the package on Friday in his Washington apartment. More than 100 residents were evacuated from the building as a precaution.

Patrick Hynes, a spokesman for the Bureau of Alcohol, Tobacco and Firearms, said over the weekend that the bomb was not associated with anti-government sentiment or the recent Oklahoma City bombing. "We want to dispel those

President Takes to the Bully Pulpit

WASHINGTON — President Bill Clinton may have lost the Congress, but he still has the pulpit — and Mr. Clinton has vowed that he is more determined than ever to use his White House platform to hold forth broadly on moral and social problems ailing the nation.

And hold forth he did, for nearly an hour, in a weekend address to the second annual "White House Conference on Character Building for a Civil and Democratic Society." Mr. Clinton turned in a kaleidoscopic performance, offering himself as politician, professor and preacher.

The president speculated on the psychology of "angry white males." He lectured about how schools can do more to teach children right and wrong. He talked broodingly about the link between violence and entertainment. He confessed to having used unfair rhetoric about bureaucrats and vowed to repent. And he ruminated about how rapid economic and technological change is challenging the nation's sense of community.

The talk showed a side of Mr. Clinton that aides say the public will soon be seeing more of. Encouraged by the generally positive response to his words of healing after the Oklahoma City bombing, White House aides said he wants to talk more often about expansive themes dealing with the nation's moral health. (WP)

Clinton Aide Can Breathe Easier

WASHINGTON — The Whitewater independent counsel has decided not to indict President Clinton's most trusted aide, Bruce Lindsey, before a deadline this week on federal banking charges. Mr. Lindsey, who is the deputy White House counsel, had been notified in February that he was the target of an investigation of the concealment of cash transactions during Mr. Clinton's 1990 campaign for re-election as governor of Arkansas.

The counsel's office in Little Rock, Arkansas, said that the prosecutors would begin no prosecution on or before Thursday, the statute of limitations deadline for bringing bank charges against Mr. Lindsey for a series of transactions that occurred during that 1990 campaign.

The statement also said that the investigation was continuing; theoretically, Mr. Lindsey could be charged under other laws that do not have so close a deadline. (NYT)

Dole Adviser Apologizes for Slur

WASHINGTON — Edward Rollins Jr., a senior adviser to Senator Bob Dole's campaign for the Republican nomination for president, has touched off a political furor by referring to two Jewish congressmen as "Hymie boys." Mr. Rollins issued an abject apology, and the Dole camp said it would stand by him.

Mr. Rollins made the offending comment at a San Francisco dinner for Speaker Willie Brown Jr. of the California State Assembly. His speech was part of the dinner's "roast" of Mr. Brown, who is considering a run for mayor of San Francisco. Mr. Rollins said that Mr. Brown actually wanted to be mayor of Los Angeles, and he added, "If elected mayor of L.A., he could show those Hymie boys, Berman and Waxman, who were always trying to make Willie feel inferior for not being Jewish." He was referring to Howard L. Berman and Henry A. Waxman, both California Democrats.

In letters to Mr. Waxman and Mr. Berman, Mr. Rollins said, "I apologize profusely" for the "totally inappropriate remark." (NYT)

Quote / Unquote:

Wayne LaPierre, executive vice president of the National Rifle Association, taunting President Clinton at the group's annual convention in Phoenix: "We're the people who helped clean out Congress in 1994, and we are going to help clean your clock in 1996." (AP)

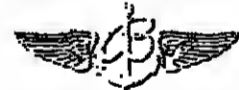
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INSTRUMENTS FOR PROFESSIONALS

U.S. Seeks Talks With North on Korea Armistice

SEOUL — The United States has called for top-level military talks this week with North Korea after Pyongyang's recent moves to dismantle the Korean War armistice accord, a South Korean Defense Ministry spokesman said Sunday.

The spokesman said the chief U.S. commander in South Korea, General Gary Luck, had suggested talks in Panmunjom on Tuesday involving generals from the United States, North and South Korea and members of the Neutral Nations Supervisory Commission.

The Defense Ministry said in a statement that South Korea

had agreed to the talks on condition that they included South Korean generals and members of the supervisory commission and were held in the commission's conference room in the demilitarized zone.

The agenda should be limited to the armistice accord, it said. General Luck sent a letter to South Korea's defense minister, Lee Yang Ho, this month, saying that Washington was seeking the contact because of the North's attempts to dismantle the armistice accord and abnormal movements on the northern side of the demilitarized zone.

This month, the North banned neutral monitors from

entering its side of the border area at Panmunjom, the sole crossing between the Koreas.

The move is the latest in a series apparently aimed at undermining the intricate armistice mechanism. The mechanism consists of the Military Armistice Commission, involving representatives from parties who were in the war, and the neutral monitoring commission, which is responsible for policing armistice violations.

North Korea has demanded that the armistice, which brought hostilities in the 1950-1953 war to an end, be replaced with a full-scale peace treaty

with the United States, shutting out rival South Korea.

South Korean officials have said they suspect that North Korea might resort to brinkmanship in nuclear talks with the United States to obtain a concession for direct peace talks.

North Korea announced its withdrawal from the armistice commission last year.

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Away From Politics

• The national crime rate dropped 3 percent in 1994, posting a decline for the third year in a row, the Federal Bureau of Investigation said. Violent crimes reported to the police fell 4 percent, while property crimes declined 3 percent. (Reuters)

• Connie Chung has left the anchor desk of "The CBS Evening News," the network said. Dan Rather will be single anchor of the broadcast starting Monday, resuming the solo status he held until June 1993, when Ms. Chung was added as co-anchor. Her prime-time program, "Eye to Eye with Connie Chung," 87th in the ratings in the 1994-95 season, is not expected to be in the network's fall lineup. (AP)

• A former high school teacher's aide has been convicted in Jefferson, Wisconsin, of recruiting three teenagers to kill her husband, Diane Borchardt, who was involved in a bitter divorce case when the killing occurred in April 1994, was convicted of recruiting the boys with \$600 and promising them cars, jewelry and \$20,000 from her estranged husband's life insurance. (AP)

• The Mississippi and Missouri rivers overran levees in St. Charles County, Missouri, after a break in an embankment, and some residents were urged to evacuate the area. (AP)

• An apartment fire killed four people, including two children, in San Jose, California, and authorities described the blaze as suspicious. Fire officials and police homicide detectives were investigating. (AP)

EUROPE

Polls in Spain Bad News for Socialists

MADRID — Spain's governing Socialists are in for a crushing defeat in nationwide municipal elections on May 28, widely seen as a dress rehearsal for possible early general elections, according to two major polls published on Sunday.

An El País survey covering 18 major cities found the opposition Popular Party would win 15 in terms of councilors elected, while the Socialists would win one. The other two were seen as even.

A poll in El Mundo found that the Popular Party would govern in 8 out of 10 major

cities and in 10 of the 17 regional legislatures for which elections are also taking place next week.

Coming after an EIPais poll Saturday, which also gave the Popular Party overwhelming victory in voting on regional parliament, Socialist prospects appear bleak.

But Prime Minister Felipe González said he was confident his party would prove the polls wrong, and he called leader, Jordi Pujol said he would maintain parliamentary support for the government until the end of the year, regardless of the voting results.

Mr. Pujol said that the result of the elections was immaterial and that the main thing was for the Socialists to meet their commitments to his Convergence and Union coalition, whose 17 seats keep the Socialists in power.

Mr. González, who won general elections in June 1993 against many expectations and forged a legislative pact with Mr. Pujol's group, said the Popular Party was being overconfident again.

"We're going through moments of difficulty and euphoria on the part of the right," he said at a party rally in Gijón. "They think that what the polls

say is what will happen on May 28 but we will prove them wrong."

El Mundo's poll gave the Popular Party 46.5 percent of the municipal vote to the Socialists' 27.7 percent, and predicted it would be the most popular party in every region except Extremadura.

The poll in El País gave the Popular Party only 36.9 percent, but this was well up on the 25.1 percent of the 1991 elections, and saw the Socialists falling to 28 percent from 38. The United Left would surge to 13.3 percent from 8.3 percent.

The Socialist vote would drop sharply in Andalusia, a customary stronghold. Overall in the region, the Popular Party held an edge over the Socialists for the first time in their history, with 33.2 percent to 33.1 percent for the Socialists. This compares with 34.8 percent and 40.1 percent respectively in the European Parliament elections last year.

The Popular Party would be neck and neck with the Socialists in Seville, while overtaking them in Cadiz and Málaga. Córdoba would remain in United Left hands, the poll found.

Madrid would be retained by the Popular Party, with a considerably larger majority. The party's expected victory in the Madrid region was also forecast by the poll in El País on Saturday.

In Spain's second city, Barcelona, the fight is between the Socialists and their Catalan parliamentary allies, who are neck and neck, according to the poll.

In Catalonia as a whole, the Socialists have 30.3 percent to the Catalan coalition's 37 percent and the Popular Party's 12.2 percent.



'MARCH FOR LIFE' — Minister of Justice Jacques Toubon walking Sunday in Paris with some of the nearly 20,000 other people who sought to demonstrate support for people who have AIDS and to raise money for their care.

Q & A: Cf Energy and Policy

Caspian Sea Oil, Chernobyl, Russia and the U.S. Interest

Energy Secretary Hazel Blears has been asked to press the U.S. administration's efforts to promote the development of the Caspian Sea oil fields, most recently in China. She spoke to the IRT's Joseph Fitchett about international energy policy, including nuclear safety issues.

Q: You're going to see how important is the oil there?

A: The reserves in the Caspian Sea have global importance. Azerbaijan is said to rank third in the world, behind Saudi Arabia and Iraq. I've read are right. The U.S. interest is twofold: to broaden the energy supply in the market so we get more diversity; and something we've encouraged since the late 1970s. Second, U.S. companies with the track records, technical abilities and financial backing to provide reserves offshore, want an opportunity to enter there. So the U.S. interest has to do with national security and economics and also with the livelihood of our companies and the ability to create new jobs in the United States from that oil.

Q: How strong are the Russian works to stop this development in one of their newly independent neighbors?

A: I don't think anyone wants to stop it. The problem is that the parties that have rights in the Caspian Sea is how best to articulate these rights. The U.S. position is that the proposed joint venture by the Russian Federation provide this condominium joint sovereignty for the center of the Caspian Sea makes sense to anyone who's dealt in oil and gas reserves. What we'd like to see is a proposal that a pretty traditional way says who has rights to explore and develop what resources.

Q: Isn't a strong point Moscow's demand for the right to cross Russian territory instead of through Turkey?

A: The prime point is another key issue, and our interest is to see that there is an energy development pipeline to you're not simply having one set to move the petroleum. And the other is from the viewpoint of U.S. corporate powers is the need for cost-effective infrastructure to get the stuff out. Eventually, we want a multiplicity of outlets, but the first pipeline must be economic, and the financial community can figure out where it has to go.

Q: Isn't the Clinton administration leaning on Moscow to unblock the situation?

A: I would come at that quite differently. I don't think we presume we can strongly direct what states do when we partner with them. For the moment, the Russians have a different idea about the route of a pipeline west from the Caspian. Disagreements happen. Economics will settle it. Nothing I do or the Russians do will change the marketplace realities.

Q: Turning to Chernobyl, will Ukraine give an answer next month to the Group of Seven meeting in Halifax about the facility's future?

A: The United States reached an agreement last year with Ukraine for shutting down the reactor, presuming that an alternative energy source could be identified and international help found to build it. The G-7 has made some commitments to support that effort, including in my mind support not only with the financing but also some debt relief. Finding funding is the piece we're working on now. In the interim, the G-7 has done a very aggressive study to identify the short-term safety issues, chiefly concern about whether the wall in the superstructure next to the now-operating reactors is secure.

Q: What about on-site safety problem of storing fissile material from dismantled nuclear warheads?

A: My team has developed a sharp plan for its ultimate disposition, once it is transmuted or downgraded to be more toxic than spent commercial fuel. There are four proposed technologies for doing this: once-through a reactor to downgrade it; glassifying and burying it; burying it beneath the seabed — options that I don't think many people are excited about. The last one is more radical in reducing radioactivity because it involves modified oxides. We're holding the required hearings now, and the United States will select one of these technologies, probably by fall 1996.

Q: Do you think that the Energy Department will survive the attacks by Republicans?

A: I don't just think I know it will. I like to quote Bob Dole just two months ago that issues including energy and energy supply will shape our foreign policy for the next 20 years. It's very important to have a cabinet officer at the table to advise the president about these crucial issues.

Major Is Reported Angered by Attack On Him in Thatcher Autobiography

LONDON — Prime Minister John Major already on the defensive on political corruption, was said to be furious on Sunday at a bitter attack on his leadership from his predecessor, Margaret Thatcher.

In excerpts from the second volume of her autobiography, she accuses Mr. Major of avoiding problems, splitting his party over Europe and of causing an unnecessary recession.

On foreign policy, she attacks Mr. Major's administration for allowing the relationship with the United States to reach "near-freezing point" and for allowing the "Bosnian" of Bosnia.

Mrs. Thatcher also accuses Mr. Major of refusing to face up to Russia and adopting a policy of "compromise, sweep it under the carpet, leave it for

another day, in the hope the people of Britain will not notice what is happening to them."

And in a threat to Mr. Major's leadership, the Sunday Times, serializing the work to be published next month, quotes Mrs. Thatcher saying that it is now time "for others to take the action required."

Mr. Major, who has fought back again and again from disasters after he took over from Mrs. Thatcher in 1990, made no immediate comment.

Aides of Mrs. Thatcher, the longest-serving British prime minister this century, also stressed the criticisms were not a personal attack and did not threaten his leadership.

But party sources said Mr. Major was furious at what he saw as a damaging attack on party grappling to restore confi-

dence in its policies and its ability to govern after 16 years in power.

"He's distinctly displeased," a source said.

The source said that Mrs. Thatcher's attack was a symptom of the bitterness she still feels at the way she was unceremoniously ousted over her policies toward Europe.

But Mrs. Thatcher's call for a new approach to Europe, crackdown on crime and urban welfare were likely to elicit the rebellious right wing of the Conservatives and to give aid to the Labor Party, which is doing well in opinion polls.

Mr. Major is already under pressure over his decision to recommend on tax-cutting political sleaze to a committee of members of Parliament.

Camilla Bowles, Charles's Friend, Is Moving Nearby

Reuters

LONDON — Camilla Parker Bowles, widely believed to have been the mistress of Prince Charles on and off for nearly 25 years, has bought a country mansion for £350,000 (\$1.3 million) just 16 miles away from the prince's country home.

The Mail On Sunday newspaper said Mrs. Parker Bowles, a divorced mother of two, purchased Ray Mill House in Wiltshire, southwestern England, after selling her previous home to Nick Mason, a Pink Floyd drummer, for £1.3 million.

The sale was part of a divorce settlement from her brigadier husband, Andrew.

"Camilla's new house, which includes an open-air swimming pool, mature gardens and stables for her nine horses, is only 16 miles from Highgrove, Prince Charles's country home," the newspaper reported.

How new technology is affecting the way **WE** think.

Chirac Puts Brakes On French Officials

International Herald Tribune

PARIS — Fulfilling his pledge to curb arrogant displays of political privilege, President Jacques Chirac has ordered official motorcades, including his own, stop at red lights from now on.

The idea of forcing cabinet ministers to behave like ordinary citizens behind the wheel raised eyebrows among French, who recall that the previous conservative government had to give way within weeks when it tried to make cabinet ministers travel commercially.

Security specialists quickly pointed out a danger in the new plan: leaders, forced to sit in cars while waiting for the light to change, would be easy targets for terrorists.

No official has said yet whether visiting dignitaries will be expected to conform to the new policy.

One of the perks of high office in France has been the ability to barrel through Paris traffic as police motorcades clear the way with blaring sirens and rotating blue light. But motorists appear increasingly resentful about being walled to the curb for these processions, so official motorcades are also being made smaller.

As part of a package of measures announced this weekend after a cabinet meeting Saturday, the new government's first, Mr. Chirac also announced plans to disband the ministerial flight — four corporate jets and two helicopters — that used to be at the disposal of high officials in a hurry.

The budget for the mini-airline was never disclosed, but estimates say the government could cut spending by two-thirds by shifting ministerial travel to leased planes.

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Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Speaking Out in China

China's intellectuals are daring to speak out again for greater political freedoms. Two petitions delivered to the authorities in recent days represent the most significant public calls for democracy since tanks crushed the student protests in Beijing six years ago.

Last Monday, some of China's best-known scholars urged the government to fit the harsh political verdict and vindictive prison sentences imposed on those arrested for the pro-democracy protests. The scholars further called for an end to the witch hunts and persecutions that have plagued China's intellectual life.

On Friday, a second group warned that China risked another "blood-soaked age" unless the government respected the civil rights formally accorded its citizens and instituted new political reforms. The regime promptly arrested the petition's organizer, Liu Xiaobo.

The 45 signers of Monday's petition include some of China's most distinguished scientists. Among them are Wang Jinchang, 88, who played a critical role in developing China's nuclear weapons program. The signers argued that a modern and intellectually vigorous society could only develop when competing ideas are

allowed to invigorate science, culture, politics, religion and literature. They also warned that China's most corrosive problem, official corruption, could only be defeated when government was held accountable to an informed public.

What makes these petitions especially timely is the waning influence of Deng Xiaoping, whose failing health has apparently removed him from policy deliberations. So long as Mr. Deng remained active, he ruled out any reconsideration of the Tiananmen Square crackdown, an episode that alienated ordinary citizens and continues to distort thousands of intellectual and technocratic careers.

President Jiang Zemin and the chairman of Parliament, Qiao Shi, to whom Monday's petition was addressed, were not directly involved in the repression. Mr. Qiao opposed it and has since spoken out for greater pluralism and tolerance.

Like Andrei Sakharov when he openly opposed Soviet communism, these Chinese scholars are vulnerable dissidents today as they question state repression. But they speak for the future of China, and will someday be honored by their countrymen for their principles and their courage.

—THE NEW YORK TIMES.

Clinton Can Start to Fight

The White House and Democratic Party are understandably concerned about leaving tactics that best position President Bill Clinton for what promises to be a difficult race in 1996. Should he take on Congress with multiple vetoes and not worry about being overruled? Or would a string of defeats lead to Republican control of both the Hill and the White House?

Such speculations, while seductive, divert us from a crossroads issue that deals not with campaign prospects, but with the threat that the current fad for defunding and dismantling the American government, many Americans and, indeed, the land itself.

Politics aside, Mr. Clinton has a chance now to choose fights of paramount importance, fights capable of reminding the American people that despite the collapse of Democratic leadership in the last Congress, this president came into office as the custodian of values and programs that have a deep root system of public need and approval.

Mr. Clinton's advocacy and his vetoes should be directed around a central theme of defending those programs and policies. Such an approach would have the advantage of helping show the voters that he does have a core of conviction that he can define and act upon. It also would allow him to define a mission in dramatic contrast to the down-with-government rhetoric of the Congressional Republicans. Mr. Clinton needs to make the point that effective governance of so rich, yet fragile a country is not just a matter of squeezing the budget.

Such a definitional opportunity exists for him in carrying out his threatened veto of the budget rescission bill. The immediate spending issues are much less important to the future of the nation than an environmental time bomb snuck in by the sawmillers' servant, Senator Slade Gorton of Washington.

His "salvage-logging rider" would allow indiscriminate logging on federal lands

under the guise of controlling insects and plant disease. Mr. Clinton can invoke his irreversibility principle in answer to the Republican efforts to defang the National Forest Management Act, the National Environmental Policy Act, the Clean Water Act and the Endangered Species Act. If the government lifts its protecting hand from what is left of America's natural areas, they will be wounded far into the future, if not lost forever.

Mr. Clinton has a chance to show that he can stand up for good, but unpopular ideas. It is easy to write a poll question that would get a majority to endorse a block-grant approach to welfare that would leave individual recipients at the mercy of state and local officials. But abandoning the idea that welfare should be a national entitlement would be one of the major social-policy reverses of the 20th century. Mr. Clinton once promised to defend this idea while imposing admittedly needed reforms. He can seize the issue anew.

The war on affirmative action, the drive to abandon America's tradition as a land of immigrants, the Republican hunger to withdraw federal funds from scientific research, the drive to impose public prayer on all citizens and to reverse the fight to abortion — all these subjects provide chances for Mr. Clinton to present himself as the last sensible defender against hinders that will be difficult or impossible to correct.

Mr. Clinton has survived the early rounds of the Republican onslaught by covering his head and letting the Republicans wing their punches. But he has got to stick his head up and unlimber his jab. There are many voters unwilling to turn their future over to Newt Gingrich and his radical dismantlers or to the morality police. But they cannot be expected to rally to a passive president.

There is a fashion for contracts at the moment. The best hope for this troubled and embattled president is to draft a contract with principle.

—THE NEW YORK TIMES.

Argentina's One-Man Show

Argentina's spectacular success in stabilizing its economy has been one of the happy surprises of this decade. The man chiefly responsible, President Carlos Saul Menem, was rewarded this past week with re-election.

In 1989, the year he first took office, the inflation rate was 12,000 percent and there were food riots. Over the past year, the rate has been a little under 5 percent — the result of a series of drastic presidential decisions from which his predecessor had repeatedly flinched.

Mr. Menem's performance has been a particularly valuable contribution to Latin American politics because, contrary to a widespread misapprehension, he has demonstrated that a democratically elected president, and a civilian at that, was able to take forceful and highly effective action.

But his success has nonetheless been a great surprise, for he was elected as a Peronist. Historically, Peronism was a particularly batty and destructive kind of populism. Once in office, Mr. Menem stood Peronism on its head in regard to everything that touched economic policy. That move earned him the hostility of some of the aging leaders of the movement, but also the gratitude of voters who had been watching their wealth melt away in the tide of rising prices.

Argentina is a fundamentally rich country whose prosperity has been grievously eroded by catastrophic public policies in which Peronism was deeply implicated. Early in this century, the standard of living there was as high as in the United States; today it is around one-fourth the American level. That is the result of decades of trade protection, pervasive subsidization, nationalization and, in general, excessive reliance on all the economic ideas that are wildly popular at first but turn out to be poison. Mr. Menem has done a remarkable job of reversing a tradition that had seemed entrenched almost beyond anyone's ability to change it.

But in doing so, he may have strengthened another bad Argentine tradition: the country's excessive reliance on one heroic leader who dominates the political system to a degree that skews the normal balances of a democracy. There has been a good deal of anxiety in particular about his manipulation of a judiciary that is now a good deal less than wholly independent. The great question to be answered during his second term is whether Mr. Menem is capable of building a system of government that, after he departs, can run the country with justice and competence.

—THE WASHINGTON POST.

East Asia's Immigration Crisis Demands Careful Choices

By Paul J. Smith

HONOLULU — The growing international backlash against immigration, already evident in North America and Western Europe, is spreading rapidly throughout East Asia. Japan and newly industrialized economies in the region are facing an unprecedented influx of legal and illegal Asian immigrants for which they are neither culturally nor politically prepared.

Unemployment, poverty and population pressures are spurring millions of people from Asia's poorer countries to migrate to the region's wealthier nations, lured by the prospect of better jobs, higher wages and a more attractive life-style. Today, over 2 million Asians can be classified as "intra-regional" migrants, compared with just 200,000 in 1980.

Major source countries, such as Indonesia, Bangladesh and the Philippines, rely on this emigration as a safety valve against growing unemployment and low wages. Money sent home by migrant workers also provides a big source of foreign exchange.

Host nations benefit as foreign laborers willingly take the "dirty, dangerous and difficult" jobs shunned by local workers. Foreign workers can frequently be found in Japan's construction industry, Malaysia's plantations and Thailand's fishing industry, among others.

But even as migrants provide economic benefits to the host country, their presence is not always welcomed. Many Asian host states do not view themselves as "immigration" countries and regard the long-term presence of these foreigners as a cultural and economic threat.

Malaysian officials blame immigrants for spreading diseases, committing crimes and causing squatter problems. Labor unions in Hong Kong and South

Korea claim that immigrants are driving down wages. In Japan, rightist groups have posted anti-foreigner signs in parks frequented by non-Japanese.

Some host countries are even describing the inflow of immigrants, partly those who enter illegally, as a threat to national security. Thailand has claimed that the presence

Tensions over immigration issues are beginning to erupt between host and source nations.

of 350,000 illegal immigrants from Burma constitutes such a threat. Malaysia sees illegal foreign workers, who come mainly from Indonesia, in the same way.

Reacting to the alleged threat posed by both legal and illegal immigrants, many host governments are enacting strict laws and other measures to limit their numbers. Malaysia and Singapore are relying on enacting to deter illegal entrants and those who hire them. Thailand has threatened to charge local officials with negligence if foreigners are found to be working illegally in their jurisdiction. South Korea has vowed that it will expel all illegal immigrants by 1999.

Although many of these "get tough" measures satisfy the demands of domestic constituencies, they often entail a high diplomatic price. Anti-immigrant crackdowns and stiff laws often offend the Asian source country whose nationals are arrested or deported. As a result, tensions

over immigration issues are beginning to erupt between host and source nations.

A spat between Malaysia and the Philippines over Filipino maids in 1994 appears to portend a trend for the rest of East Asia. On Palm Sunday last year, Malaysia rounded up hundreds of Filipino maids near a Catholic Church, charging many of them with immigration violations. Kuala Lumpur's action infuriated Manila, which demanded an apology. When Malaysia refused, the Philippine government conducted its own raids in the Subic Bay free port to search for illegal Malaysian workers.

Recently, relations between Singapore and the Philippines soured over Singapore's execution of Flor Contemplacion, a Filipino maid convicted of murder. Many Filipinos believe that Mrs. Contemplacion was not only innocent, but was a victim of her status as an unprotected Filipino working abroad. Following the execution, President Fidel Ramos banned Filipinos from going to Singapore on employment contracts.

But potentially more serious disputes are brewing between China and Russia over the alleged migration of several hundred thousand Chinese to Russia's Far East. Fearing what it calls "peaceful loss" of its territory, the Russian government imposed travel restrictions against Chinese last year, an act that prompted China to detain Russian traders for violating Chinese immigration laws.

Disputes also have erupted between host and source countries in East Asia over the issue of repatriation. When Malaysia sought to send home several thousand illegal immigrants from Burma in 1993, Bangkok refused to accept them, describing the migrants as traitors. Taiwan also has had difficulties sending illegal immigrants

back to mainland China and has accused Beijing of purposely stalling their return.

More alarming are signs that such conflicts will intensify in future as the scale of intraregional migration grows in Asia. Major host countries, especially Japan, face labor shortages, just as traditional source countries have to cope with high rates of population and labor force growth as well as chronic unemployment. China, with its 1.2 billion inhabitants, is looking as a huge and unworkable new source of migrants in Asia. Fifteen years of source of political reform have weak economic and political ability to control and regulate population movement both within and out of the country.

Migration from the countryside to urban areas and emigration, much of it illegal, have increased dramatically in recent years. Moreover, a growing unemployment crisis — the government recently estimated that 270 million Chinese will be jobless by the year 2000 — is likely to increase migration pressures, both internal and external.

Rising immigration is posing sensitive political and cultural challenges for the economically dynamic nations of East Asia. Host countries face a choice: Either they embrace immigrant workers and gradually evolve into increasingly multicultural societies, or they can resist immigration and cling to traditions of cultural and racial insularity. The choice that is ultimately made will determine whether immigration in Asia becomes a positive force in the region or a source of continued discord, and perhaps even conflict.

The writer, an adjunct fellow with Pacific Forum/CSIS in Honolulu, contributed this to the International Herald Tribune.

Watch Japan Adapt to Trade Sanctions — and Not Open Its Markets

By Thomas L. Friedman

WASHINGTON — After the United States imposed trade sanctions on Japan last week, I found myself thinking back to that old science class experiment where the teacher puts a frog in a pot of water on the stove and gradually turns up the heat. The frog, which is very good at adapting, adjusts to each level of heat. Eventually, though, the frog boils to death, because it is so good at adapting it never thinks to jump out of the pot.

The Japanese have become so good at adapting to trade threats and the ever-rising value of the yen that instead of doing what a normal country would do — jump out of the pot by opening its economy — the Japanese simply keep the foreigners out and adapt to the consequences. They just tighten their belts another notch, sacrifice some profits and move their factories to lower-cost labor markets abroad Asia.

But with the United States hav-

ing slapped a 100 percent tariff on Japanese luxury cars and, more importantly, with the yen having soared in value by 20 percent this past year, making everything Japan sells in the United States 20 percent more expensive, what will Japan do? Jump, adapt or finally boil to death?

My guess is that Japan will try to adapt again, and not open its markets. The Japanese government is too weak to take the tough steps to deregulate its economy, and its instinct for adapting to foreign pressures is too ingrained.

That is why President Bill Clinton was right to raise the stakes to a boil. The president's only option is to create so much pain for Japanese manufacturers — and so much pleasure for Japanese consumers, by weakening the dollar and making U.S. goods temptingly cheap to buy — that instead of trying to adapt, they will work

to remove Japan's trade barriers. I hope Mr. Clinton has the stomach to keep the heat on, because here's how I think Japan will initially respond: Japanese businesses will use the strong yen to buy, at bargain-basement prices, more and more factories in cheap labor markets around Asia. This will lower their production costs and nullify the effects of the higher yen on their exports.

Sure, Japanese companies may have to eat some losses this quarter. But Japan, unlike America, does not worry about quarterly profits. It worries about quarterly growth, with the yen having such buying power, Japan will own every other factory from southern China to Burma. So the United States can bar all Japan's exports, and Japan will just ship them in through these other markets.

True, this will mean fewer jobs in Japan, and a hollowing out of its economy, and that in itself will force Japan to import more from abroad. But the Japanese are out just going to sit back and live off their investments in Asia. If history is any guide, they will also adapt by finding more efficient ways to produce in the industries they do keep at home.

With the strong yen forcing them to streamline in order to stay competitive, Japanese firms will move even faster into the knowledge-intensive, high-wage, high-skilled economy of tomorrow that the United States still dreams of.

No, say the classical economists. This time Japan will not be able to adapt. This time they will jump or boil. Oh? That's what they said when oil prices quadrupled in the 1970s, but Japan adapted. That's what they said when the yen rose by 50 percent in the 1980s, but Japan adapted. Only a fool would bet against them trying to adapt again, while opening

their markets as little as possible. Unless one thing happens: Japanese consumers decide they are tired of tightening their belts, living in houses the size of a walk-in closet and being the world's richest country and poorest people.

That would be nice, but history also teaches that there is a deep cultural tradition in Japan, shared even by many Japanese consumers, that consumer welfare must always give way to the national welfare, and the national welfare is to win the 100-year trade war, not the battle of 1995.

But if you think this time Japan can't adapt and will open instead, then buy Ford Motor stock; they make a hot little right-hand-drive Mustang for the Japanese market. If you think Japan can adapt, without opening much, then buy the yen. That's the bet. The structure of U.S.-Japan competition in the 21st century is riding on the outcome.

The New York Times.

Let George Bush Take Up The Office of Ex-President

By Jim Hoagland

WASHINGTON — Thank goodness that Phil Gramm cleared up the report that he invested \$7,500 in an R-rated film entitled "Beauty Queens." The Bible-thumping Texas conservative says not to worry — the soft-porn film never got made. He lost all the money he put in a venture mounted by his then brother-in-law.

That's supposed to reassure us? Does Senator Gramm, the self-styled fiscal Terminator, whose explanation about "Beauty Queens" was drawn from him by reporters on the day he wrapped himself in the Christian Coalition's 10-point blueprint for moral and social reform, want us to understand that he forked over \$7,500 without knowing what it would finance? Or, to paraphrase the Texas writer and Gramm constituent Molly Ivins: How dumb does this politician think we are?

To be fair, Mr. Gramm is being asked to answer for the sins of an ex-law, a test that few mortals want to endure and that few would survive unscathed. In the real world, his predicament would be cause for sympathy, not scorn.

But Mr. Gramm does not live in the real world at the moment. His predicament underlines the extraordinary amount of posturing and outright hypocrisy being kicked up by the Republican stampede to challenge a politically vulnerable Democratic incumbent who has had to confess some moral flaws of his own.

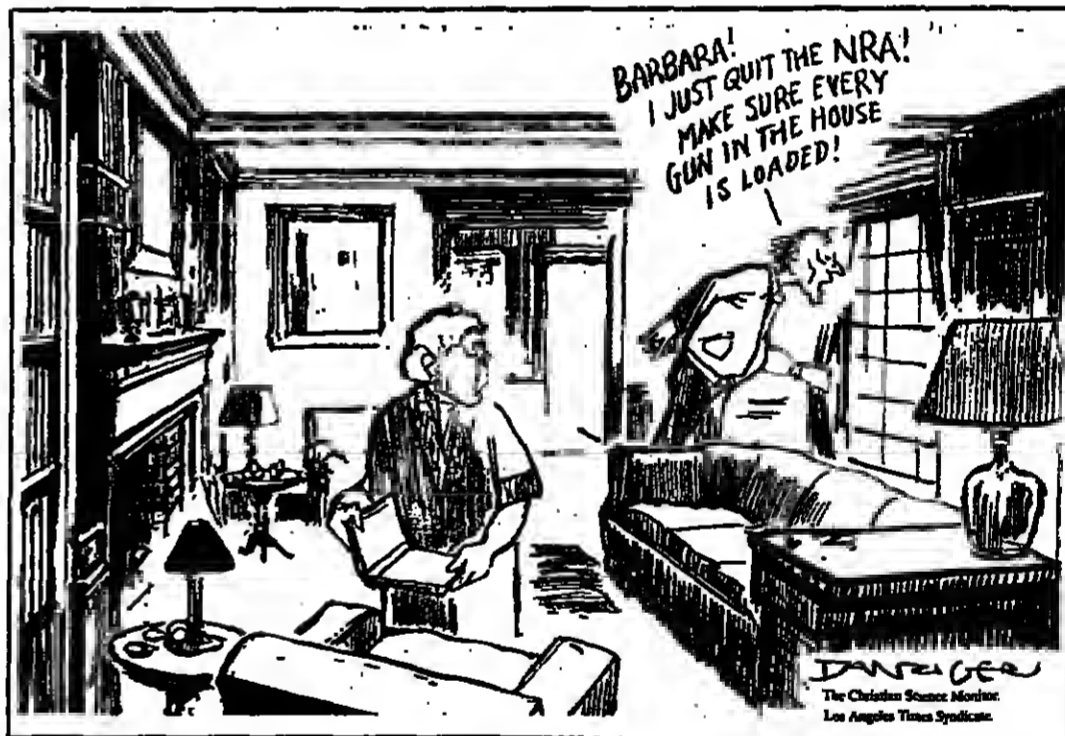
Morally, there is little to separate the form and results of Phil

Gramm's Vietnam era draft dodging from those of Bill Clinton's effort. Bob Dole, a genuine war hero, has other problems. He gives the concept of flip-flop new vitality with his cross-reversals on gun control, affirmative action and moving the U.S. embassy to Jerusalem. Pete Wilson offers to solve a problem he helped create, back when California business needed Mexican workers, by cracking down on immigration. And they call him Slick Willie?

I raise this not to invoke a plague on both Republican and Democratic houses in a spirit of immoral equivalency. These are modern politicians going about their business, such as it is. For most Republican presidential hopefuls that means a spot of naked pandering for the votes of the Christian Coalition and other zealous "family values" groups.

The antidote for the virus raging among Republican hopefuls has just appeared, in the form of George Bush's denunciation of the National Rifle Association's recent hate-mongering. His party and his nation need Mr. Bush to become the active, outspoken president he has not been since he skulked out of town two years and four months ago.

Admittedly, many Americans concluded in 1992 that they had seen and heard quite enough of G. H. W. Bush. That feeling of sufficiency as well as any other factor accounts for the Clinton presidency. I do not expect instant universal acclaim for my propos-



al, not even from Mr. Bush himself, who went in the blink of an eye from being leader of the world into brooding, hurt silence.

His failure in 1992 was largely a failure of nerve. He panicked and conducted a horrible campaign. He should now overcome and erase the legacy of that debacle.

For himself, Mr. Bush could use a good ex-presidency to rehabilitate the undersung accomplishments of his four years at 1600 Pennsylvania Avenue, in which he provided masterful leadership in Operation Desert Storm and managed German reunification and Soviet collapse with great skill.

For his party, Mr. Bush should

try to bring the Republicans back from the brink of self-destruction on gun control, abortion and other divisive social issues by repeatedly speaking out against the torrent of extremism, intolerance and inwardness that afflicts America's political discourse today. His blast at the NRA should be only an opening shot.

For the country: The ethos that has prompted America's international engagement since World War II is under sharp attack in Congress and elsewhere. Mr. Clinton's policies on Russia, the Middle East, foreign aid, European security and other key issues are closer to those Mr. Bush followed in office than anything

Dole, Gramm or Wilson are promising. Without in any way endorsing the upstart who beat him, Mr. Bush can credibly lead the search for a new internationalist American consensus.

Liberals say it is too late for Mr. Bush to atone for his selling out on abortion, the nomination of Clarence Thomas and other issues. Conservatives dismiss him as not credible to their movement. But he has a freedom today granted by defeat that he should exploit. His experience, his record of public service and his respect for fairness have earned George Bush a hearing by an American public in need of voices of reason.

The Washington Post.

A Diplomat Who Dared to Tell the Truth

THE DEATH last week of Harry Bergold, the U.S. ambassador to Nicaragua from 1984 to 1987, may have marked a curious milestone in the remembrance of a diplomat. The exceptional accomplishment of his career, according to The Times' obituary, was sharing information with reporters. That is probably not the epitaph Mr. Bergold would have chosen, but it is honorable and fitting because Mr. Bergold believed that the more Americans knew about their government's policies in Nicaragua the more they would want to change them.

At the height of the Reagan administration's misguided efforts to destabilize Nicaragua, Mr. Bergold was courageous enough to substitute truth for the distortions and lies the administration offered. I was one of the reporters who talked with Mr. Bergold during those years. Some discussions were official and I cited him by name. Others were informal, and he asked not to be identified. But his role as a source of information was hardly a secret.

I never knew whether he took the post in Managua already determined to oppose American policy, or whether he drifted into opposition when he saw what was happening on the ground in Nicaragua.

But Mr. Bergold was honest at a time when U.S. policy in Central America was dishonest. While officials in Washington talked piously about supporting democracy in the region and operating within limits set by Congress, Mr. Bergold warned of clandestine U.S. military and intelligence programs that defied congressional restrictions. When officials at the State Department spoke of peace talks with the Sandinista leaders, Mr. Bergold described Washington's plans to manipulate the talks for propaganda purposes.

Mr. Bergold was not soft on the Sandinistas. As a former ambassador to Hungary, he knew more about authoritarian governments than many of his colleagues in Washington. What galvanized him was the duplicity of U.S. policy, and the use of covert means to pursue objectives never publicly declared or congressionally sanctioned. Mr. Bergold paid for his disloyalty when supporters of the anti-Sandinista campaign blocked his next posting to Morocco. What they never understood was that Mr. Bergold acted out to undermine American policy but to defend American principles.

—Philip Taubman, writing in The New York Times.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1895: Unrequited Love

PARIS — A number of details are forthcoming regarding the suicide of the young man named Christian who shot himself because Senorita Otero, the Spanish dancer performing at the Folies Bergere, had refused to accept his advances. Senorita Otero states that some time ago she received a letter inviting her to supper with Christian and enclosing 10,000 francs. These she returned. At each of his visits he was told Senorita Otero could not receive him. This so affected him that on Monday [May 20] he declared his intention of putting an end to his life. Two hours later he shot himself in a cab in the Bois de Boulogne.

dastardly attempts made on the lives of British officers and soldiers. Reprisals would be regretted, however, as only the innocent would suffer.

1945: Asia-Bound Army

WASHINGTON — The War Department announced today [May 21] that the 1st Army is on its way to the Pacific. It is being deployed by way of the United States and its personnel will receive furloughs in America before proceeding to the war against Japan. "The divisions and army corps that fight with the 1st Army against Japan will not necessarily be the same as those that fought in Germany," the war department statement said. "However, enough veteran units and veteran personnel will take the field under General Courtney H. Hodges to insure vigorous results against the Japanese."

1920: Murders in Cairo

CAIRO — It would not be surprising if there were terrible reprisals taken before long for the



International Herald Tribune

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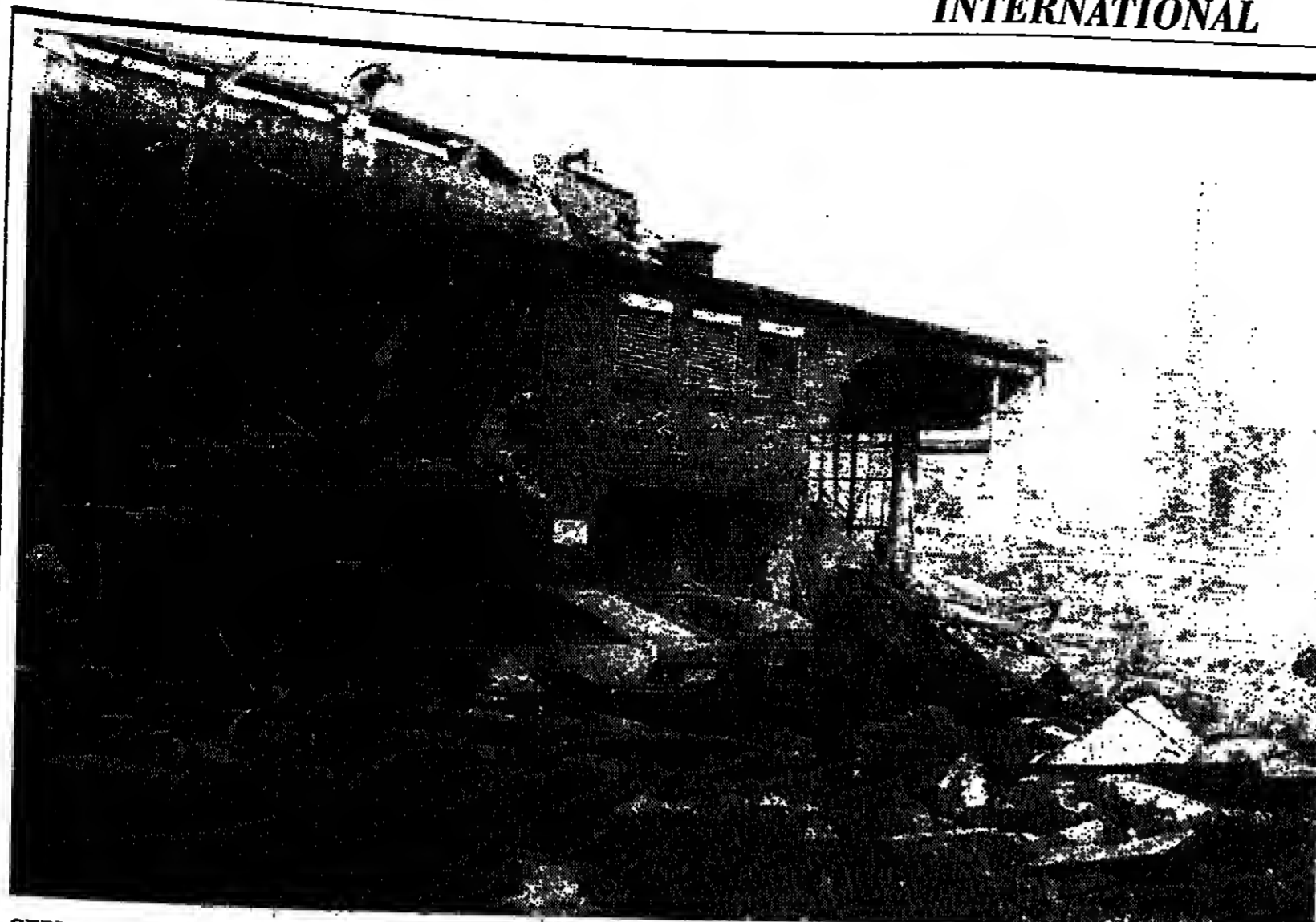
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INTERNATIONAL



GERMAN BLAST — A fire fighter surveying the remains of a steel plant in Dillingen. A gasometer explosion started a fire that hurt 10 people.

China's Assurance on Spratlys Claim to Islands Should Not Impede Navigation

By Patrick E. Tyler
New York Times Service

BEIJING — China, responding to concern by the United States, Japan and its Southeast Asian neighbors, has said that its claim to a group of islands in the South China Sea is not meant to impede freedom of navigation or the safe passage of aircraft and ships of other countries.

"We hope the ordinary sailing of foreign vessels through the South China Sea shall not be adversely affected by the existing disputes," Shen Guofang,

the Foreign Ministry spokesman, said last week. The islands, known as the Spratly Islands in the West and the Nansha Islands by China, are regarded as a potential source of oil.

The statement by Beijing is the first to clarify China's claim by separating its territorial dispute with five other countries from international questions of freedom of the seas. Vietnam, the Philippines, Taiwan, Brunei and Malaysia also have claims in the Spratly Islands.

For the Clinton administration, which has sought to stay out of the territorial dispute, the issue of safe passage through the area has become a major concern. A key question has been whether China was seeking to extend its sovereignty over the shipping lanes through which 70 percent of Japan's crude oil imports pass.

While Washington has said it hoped for a negotiated solution, it has sought clarification on the navigation issues in private contacts with Chinese leaders.

The commander of U.S. forces in the Pacific, Admiral Richard C. Macke, raised these concerns in meetings with Chinese military leaders last

month. They told him that Beijing was not seeking to control the shipping lanes, according to a Western diplomat.

Mr. Shen did not elaborate when asked how Beijing defined its territorial limit around the 21 islands and atolls, 5 submerged land spits and 2 partly submerged bits of coral and rock that make up the island group.

China first pressed its claim to the area through a 1992 law that laid down regulations for ships seeking to transit the waters that pass close to the islands and reefs.

The law called for the "immediate eviction of foreign military vessels or vessels owned by foreign governments and used for noncommercial purposes that violate the laws and regulations" of China.

The Foreign Ministry statement follows a confrontation at Mischief Reef, 120 miles (190 kilometers) off the coast of the Philippines.

Manila organized a tour of the Mischief Reef area for journalists on May 13, but the trip was interrupted by close encounters with Chinese vessels near the reef.

Opposition Seen Gaining Councils In Tunisia Vote

Reuters

TUNIS — Tunisia voted in local elections on Sunday in which opposition candidates were expected to enter the municipal councils for the first time.

Five legal opposition parties, who boycotted the last local polls in 1990, fielded candidates in 47 of 257 municipalities. In the other 210 areas, voters had no choice other than the ruling Constitutional Democratic Rally.

Political analysts said the opposition groups were unable to find more candidates to run for the poll in the remaining municipalities.

Tunisia operated a one-party system for most of the period from independence in 1956 until 1981. Since then, there have been some political reforms, but the Constitutional Democratic Rally has kept a tight hold on power.

Tunisia's secular elite has watched nervously in the 1990s as Muslim militants in neighboring Algeria challenge the authorities in a conflict there. Tunisia's own Muslim fundamentalist movement, which was active in the late 1980s and early 1990s, has been crushed since hundreds of its leaders and members were arrested in 1992. It is banned and has had no open political presence since.

Frenchman Held In Arab's Death

Reuters

PARIS — A 23-year-old youth is being held in connection with the drowning of a man of Arab descent, the second such case in France this year, official sources said over the weekend.

They said David Beaune had confessed to pushing Imad Bouhoud, a Frenchman of Tunisian descent, into the harbor at Le Havre last month in a fight over a pistol. Mr. Beaune was arrested last Monday in a separate mugging case.

In an attack that caused widespread outrage, Brahim Bouarram, 29, a Moroccan, was pushed into the Seine during a Paris march by the far-right anti-immigrant National Front on May 1. He drowned. Three "skinheads" are being held in connection with the attack.

ed States had exercised its veto power in five years.

The action also came less than a week after Washington backed Israel's refusal to sign the treaty to halt the spread of nuclear weapons while insisting that Arab nations that do not have such weapons adhere to it.

Former Defense Chief In Hospital After Stroke

Reuters

WASHINGTON — Former Secretary of Defense Les Aspin, 56, was hospitalized in Washington in critical condition after suffering a stroke, a spokesman said.

"Upon admission he was awake, lucid and speaking," a Georgetown Hospital spokesman said Saturday.

round of consultations in the Saudi, Syrian and Egyptian capitals to foster momentum for a strong Arab response.

Although several Arab nations are pushing for a more ambitious agenda for the meeting, including the theme of reconciliation in the aftermath of the Gulf War, Mr. Abdel-Meguid said the meeting would probably be "dedicated to Jerusalem as the only item on its agenda."

Israel announced last month that it would confiscate about 131 acres of land in mainly Palestinian areas of East Jerusalem so it could construct housing there for Jews. On Wednesday, the United States vetoed a Security Council resolution that called on Israel to reverse the expropriation.

It was the first time the United

uncertainty about the summit meeting was how many Arab heads of state would attend. Saudi Arabia and Syria have shown little enthusiasm for Arab summit meetings since the Gulf War, which seriously divided the Arab world.

"A summit will take place before the end of the month," Esmat Abdel-Meguid of Egypt, the Arab League's secretary-general, said in a telephone interview from Cairo. He said the gathering would probably be held in Morocco, with King Hassan II, chairman of the so-called Jerusalem Committee of the Organization of Islamic Conference, acting as host.

Arab League officials said Hassan Friday sent Morocco's prime minister and foreign minister, Abdelatif al-Filali, for a

By Youssef M. Ibrahim
New York Times Service

PARIS — Israel's decision to confiscate Arab land in Jerusalem has galvanized Arab kings and presidents to begin planning a rare summit meeting that may be held in the next 10 days.

Beyond the Israeli move, what seems to have most angered Arab governments is the American veto last week of a UN Security Council resolution denouncing the confiscation of the land. Even the most enthusiastic supporters of Middle East peace efforts have bitterly condemned the veto, saying it raised serious doubts about Washington's ability to mediate impartially between Israelis and Arabs.

Moroccan, Egyptian and Jordanian officials said the only

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CAPITAL MARKETS ON MONDAY

Most Active International Bonds

The 250 most active international bonds traded through the Euroclear system for the week ended May 19. Prices supplied by Telekurs.

Australian Dollar

Rank	Name	Cou	Maturity	Price	Yield
101	Queensland Tsv	8	05/14/05	91.2000	8.7400

Austrian Schilling

Rank	Name	Cou	Maturity	Price	Yield
101	Austria	7	05/16/05	99.2500	7.8500

Canadian Dollar

Rank	Name	Cou	Maturity	Price	Yield
101	IPC	zero	09/15/00	64.1250	8.0600

Deutsche Mark

Rank	Name	Cou	Maturity	Price	Yield
101	Germany	7 1/2	01/05/05	103.2475	7.1100

Rank Name Cou Maturity Price Yield

170	Bxim Bk Japan	5 1/2	12/17/03	99.0000	6.2000
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171	Germany	4 1/2	01/02/99	102.0000	6.3700
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172	Germany	7 1/2	11/21/94	102.8100	6.8000
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173	Germany	7 1/2	11/21/94	101.7000	8.8500
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On the Multimedia Frontier, Entrepreneurs Reinvent Technology — and Themselves

By Richard Covington
Special to the Herald Tribune

CANNES — In the wide-open spaces of the new-media frontier, the most enterprising pioneers will be those skilled in recreating their careers from scratch every 10 years, according to the science historian James Burke.

These virtuosos of flexibility will be lured as much by the rewards of an industry that is expected to top \$1 trillion within the next decade as by the prospect of being present at the creation of a new art form.

For Christopher Cerf — publisher, songwriter, satirist and now multimedia developer — this sounds like heaven.

Like two fellow multimedia developers — David Stephen, a Harvard-trained former numbers-cruncher for a Hollywood studio, and Alan Snow, a children's book illustrator — Mr. Cerf has never been able to sit still in one medium for long.

"Actually, I've always had my feet in several media at once," Mr. Cerf said. "If you're someone who likes to write music and silly books, this multimedia gig is perfect."

The winner of two Grammy awards for songs he wrote for "Sesame Street," founder of the magazine National Lampoon, author of the recently published "Official Sexually Correct Dictionary and Dating Guide," and chairman of Random House's Modern Library series, Mr. Cerf has plunged into multimedia with both feet, both arms and both legs.

Ironically, to some, his aim is to improve literacy, to teach children and adults how to read using the new media that some skeptical educators fear will destroy the literary culture.

Mr. Cerf is negotiating with a U.S. public television station to produce a new series to teach reading, developing Sesame Street-style characters with "phonetic identities," he said.

"We might design a museum that only contains exhibits beginning with the letter B," he said, "and the series will be available on multimedia computers, as well as TV."

Beginning in the 1970s, Mr. Cerf started collaborating with Theodore Geiss, the late author of the Dr. Seuss children's books, and the Children's Television Workshop, producer of the Sesame Street

television series, to devise a comprehensive multimedia literacy tool. But it was not until the last year or so that the technology became sufficiently advanced to combine music, text and animation, he said.

"Unless you have all these elements, you lose the kids," Mr. Cerf said. "Now you can bring up a television video on the computer screen, and at the same time,

I've found that people in this business are as smart and as entrepreneurial as any I've ever encountered.

Christopher Cerf,
multimedia developer.

construct a good many of the sentences a child might learn in an entire year."

Since founding his own company, Christopher Cerf Associates Inc., he has helped put Sesame Street's Muppets on CD-ROM, initiated a joint venture with a new-media developer, Voyager Co., to make the

catalog of the Modern Library available in multimedia format and advised Random House on other new media ventures.

"It's all pretty seamless to me," he said. "I don't suddenly stop and say, 'Oh boy, I'm changing media now.' And I've found that people in this business are as smart and as entrepreneurial as any I've ever encountered."

David Stephen learned the new media ropes at the video-games giant Sega Europe Group Ltd. in Britain.

A former experimental filmmaker and Harvard Business School graduate, Mr. Stephen spent three years in Los Angeles in management at Columbia-Tristar Films before moving to Sega. For the past year, as the chief executive officer of Real World Ltd., he has been collaborating with the musician Peter Gabriel on the creation of visual compact discs.

"In Los Angeles, there were a hundred thousand guys like me, guys with business backgrounds trying to work their way up in the film industry," he said. "But working in England in multimedia, there's a lot more opportunity."

"The power in multimedia is now shifting from software gurus to the artists and musicians themselves," Mr. Stephen added. "In another few years, the distributors will probably have it locked up, just like they did 60 years ago with the movie business."

The record companies are "nervous and unsure" about marketing visual compact discs, he said, fearful that "sales may cannibalize audio CD sales."

Mr. Stephen was pessimistic about the future of visual, or "enhanced" CDs. He said he expected consumers would not be willing to pay a significant premium for the visual component, unless the computer disk offers that elusive element of "repeatability" — industry jargon for hours spent playing the disk.

With 150 children's books to his credit, Alan Snow should have known to leave well enough alone. Hooked into multimedia by Bob and Aline Stein of Voyager Co., Mr. Snow immediately started doodling dog illustrations for what was to become his first visual compact disc on computer. "Bob and Aline said it was easy; they lied,"

he said. "Eight thousand hours and \$60,000 later, we've produced a very stupid idea. It's a dog simulator."

Mr. Snow's interactive cartoon, P.A.W.S. — which stands for personal animated wagging system — is relentlessly silly, allowing a player to track canine misadventures from the dog's point of view: digging for bones, being attacked by a cat, being launched like a rocket.

"We built so much randomness into the thing, even I don't know what the dog will encounter next," Mr. Snow said.

Mr. Snow previously worked as a sound engineer for the rock group Tears for Fears, contributed animation to Mr. Gabriel's visual compact disc, "Xplora 1," and designed an audio sequencer to mix samples of music in real time. With two partners, Mr. Snow formed the Domestic Funk Products company.

After P.A.W.S., which the trio presented in Cannes recently at Apple Computer Inc.'s New Media Forum, Mr. Snow and company next plan to unleash something he terms "organic software toys," involving artificial intelligence and computer-generated organisms that mutate on their own.

INTERNATIONAL RECRUITMENT

EUMESAT is an intergovernmental European Organisation of 17 Member States:
Austria • Belgium • Denmark • Finland • France • Germany • Greece
Ireland • Italy • Netherlands • Norway • Portugal • Spain • Sweden
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Established in 1986, and located in Darmstadt, Germany, EUMESAT's prime objective is to establish, maintain and exploit European systems of operational and meteorological satellites.
Specially qualified candidates (male or female) from EUMESAT member states are invited to apply for the following post in the Contracts and Legal Affairs Division:

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To be responsible for contracts relating to off-the-shelf office supplies. He/she will also assist in the preparation, negotiation and monitoring of contracts for other goods and services such as consumables and studies, in addition to purchase orders.

The successful candidate will have completed secondary education and have considerable experience in the procurement of supplies, plus knowledge of related contractual and legal matters. Further educational qualifications pertaining to procurement would be an advantage. He/she must be dynamic and communicative and have a result-oriented approach. Fluency in either English or French is required, together with a very good knowledge of the other language. A very good knowledge of German is also necessary.

The contract will be awarded for an initial period of four years.

Applications (CV, covering letter, reference "r") in either English or French, should be sent to: EUMESAT, Ms F. Joyowant, Personnel Officer, Am Elbengrund 45, D-64242 Darmstadt-Schmidt, Germany. The closing date for applications is Monday 12 June 1995.

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THE BIOGEN MISSION

Business Unit Director

Biogen mission

Biogen is a well-known US biotechnology company engaged principally in developing genetically engineered human pharmaceuticals. Biogen currently directs its research and development into areas where the company has particular strength — multiple sclerosis (MS) and inflammation. The company has gained a reputation for scientific excellence with early scientific achievement and financial success attributed to an organization sensitive to the needs of its employees, who possess the highest professional competence with an exceptional degree of motivation and commitment.

The position

Reporting to the President of Biogen Europe, the Business Director, Beta Interferon will drive Biogen's European strategy and financial performance in a number of countries for this key product. This will involve coordinating the implementation of worldwide marketing strategies from our parent company in the USA, as well as developing specific tactics and strategies to achieve our European marketing and business objectives. Assisted by a team of Product Managers, you will develop a thorough understanding of customer needs and business opportunities and maintain close and effective links with opinion leaders in the European medical and scientific communities.

So many people depend on us, we need the very best.

This prominent role requires strong pharmaceutical or biotech experience in an aggressive and fast-moving business. You should be an energetic, entrepreneurial individual with a high degree of loyalty and a hard-working, ethical approach to business. You should be fluent in English and one other European language, with excellent interpersonal and communication skills. As well as a highly competitive salary and benefits package, we offer the opportunities for genuine long-term career development that you would expect from a major company.

To find out more about this exciting opportunity, write to: MTC Medical Technology Consultants Europe, 1 rue Garnier, 92200 Neuilly-sur-Seine.

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Needed in Computer Science, IFSM, or MIS. Graduate degree and fluency in English required. University teaching experience preferred. Specific knowledge of one or more of: programming (Pascal, C, Ada), architecture, database systems, communications, analysis and design, decision support, security, human factors, microcomputer applications.

Send vita to: University of Maryland, Computer Studies Office, Room 306, College Park, MD 20742-7015, USA.

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The European Court of Human Rights is highly valued because linguistic precision is vital to the justice of its decisions. We are currently looking for a talented, graduate translator with appropriate experience, preferably in legal translation. You must have a complete mastery of English and an excellent knowledge of French and at least one other European language, preferably German. A knowledge of European legal systems, especially the English and the French, would be an advantage. Working closely with the Registrar and other lawyers, you will be responsible for accurately translating legal

documents drafted in French into good English. Documents will include preliminary drafts, draft judgments, separate opinions, summaries, reports of hearings and press releases. You must be able to produce well-written translations which do not need revision. When necessary, you will also translate texts from other European languages. Other duties include revising English drafts produced by non-native English-speaking lawyers and attending the Court's deliberations in order to assist with linguistic points as and when they arise. You must be a methodical and discreet professional, with good team skills. You will be a European national under 45 years of age, with

English as your mother tongue. This appointment will be made on a two-year probationary contract, which may be converted to a permanent contract. Remuneration and conditions of employment are comparable to those offered by other international institutions. Further information and official application forms (to be returned by 17 July 1995) may be obtained from Human Resources Division, Recruitment Unit, Council of Europe, 67075 Strasbourg Cedex, France. Please quote ref: 31195 and enclose a self-addressed, stamped envelope (23 x 32 cm).

unicef United Nations Children's Fund

The United Nations Children's Fund, with Headquarters in New York and offices throughout the world, seeks qualified candidates for the following position:

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Duty Station: Kathmandu, Nepal (Level: P-5)

Support and advise the Regional Director, the Regional team and Country Representatives and Governments in developing policies, strategies, programmes and systems to facilitate and follow up translation of the year 2000 Goals for Children into operative processes of development in each country of the Region. This involves policy analysis, situation appraisal and professional interaction — leading to pragmatic policy adjustments and action proposals.

Minimum Qualifications: Advanced university degree in social sciences or other related field. Training in programme monitoring and evaluation methodology; post-graduate training in advanced statistical analyses in social sciences; ten years' progressively responsible professional work experience related to development policy and programme planning with proven analytical, conceptualization and negotiating skills relevant to human and social development. Demonstrated ability to be articulate and precise in spoken and written English for high-level advocacy and for assured quality of publications. Fluency in English and other UN working language. Knowledge of one or more languages of the region desirable. UNICEF, as part of the United Nations common system, offers competitive international salaries, benefits and allowances. Please send detailed resume, in English, quoting reference number UN-94-220: to Recruitment and Placement Section, UNICEF, 3 UN Plaza (SEK-H-5F), New York, NY 10017, USA.

Qualified women are encouraged to apply. Applications for this position must be received by 5 June 1995. Acknowledgement will be sent only to shortlisted candidates.

UNICEF is a smoke-free environment. NOTE: Since this post is in the International Professional category, nationals of the country will not be considered.

AFRICAN EXPORT-IMPORT BANK BANQUE AFRICAINE D'IMPORT-EXPORT (AFRIMBANK)

POST OF VICE-PRESIDENT

The African Export-Import Bank (Afrimbank) was established in October 1993 and has its headquarters in Cairo, Egypt. The bank was established as an international financial institution to facilitate, promote and expand intra- and extra-African trade.

The Bank's membership comprises African Governments, African Central Banks, the African Development Bank and other regional and sub-regional African financial institutions, as well as African and non-African financial institutions and private corporate and individual investors.

The Bank seeks a Vice-President who will be a senior executive of the Bank and whose responsibilities will include assisting the President in the day to day management of the Bank and undertaking such other functions as the President shall determine. The Vice-President will be appointed for a term of four years, which may be renewed for a further term.

The position requires a person with extensive and specialized experience in international banking including several years of practical experience in trade finance operations. The occupant of the post must be a person of high calibre with demonstrable top-management experience and competence in trade finance in Africa. He or she must be fluent in either English or French with a working knowledge of the other. Knowledge of Arabic and/or Portuguese will be a definite advantage.

The successful candidate will enjoy a competitive tax free salary and generous fringe benefits commensurate with the post; he or she will also be accorded diplomatic privileges and facilities made available to the Bank's officials under the Headquarters Agreement.

Interested candidates may write in confidence to reach the address below no later than three weeks from the date of this publication.

The President
African Export-Import Bank
World Trade Centre Building
P.O. Box 404 GEZIRA
1191 Corniche EL NIL
CAIRO - EGYPT 11451
Fax: 202-5780277

COMPETITIVE EXAMINATION FOR ARABIC EDITORS

A competitive examination for the Arabic edition of the United Nations Yearbook of International Law will be held on 16 and 17 August 1995 in New York, Cairo, Geneva, Vienna and other locations according to the number and location of qualified candidates considered for the examination. The purpose of the examination is to establish a roster from which present and future vacancies for Arabic editors at United Nations Headquarters in New York and at other UN offices in Africa, Asia and Europe will be filled.

Applicants must have Arabic as their main language; have a perfect command of Arabic and a very good knowledge of English and French; hold a degree or an equivalent qualification from a university or institution at which Arabic is the principal language of instruction; have relevant experience in the publishing industry or perform functions involving a thorough knowledge of United Nations documentation or publications; have computer and word processing skills. Candidates should obtain the application form for admission to the examination from the following addresses and return completed form to the same address no later than 15 June 1995:

Candidates residing in Europe: Secretariat Recruitment Section, Competitive Examination for Arabic Editors, Room 286, United Nations Office at Geneva, CH-1211 Geneva 10, Switzerland, FAX: (41) 22-007-0008. All other candidates: Ms. M. Hubbard, Recruitment (Competitive Examination for Arabic Editors), Room 2-2535G, United Nations Secretariat, New York, NY 10017, Fax: 212-963-0825.

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GERMAN COMMERCIAL ASSISTANT (FEMALE), 35,

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Please contact:
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See Page 4 FOR MORE INTERNATIONAL RECRUITMENT

An innovative Geneva-based luxury goods company seeks a

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Areas of responsibility to include strategic planning in accordance with top management.

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Please send your application forms under REF. IHT955 to:
Cabinet Juridique Merlotti
15, boulevard Helvétique
CH-1207, Geneva, Switzerland
Tel: 022-7354087
Fax: 022-7354007

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She will assist the C.E.O. and take charge of all the classical secretarial tasks: letter writing, timekeeping, preparation and follow up of files, in a strongly international context.

She will be between 35 and 40, well organized, having a sense of initiative and synthesis, exact and discreet.

The work is based in Paris.

Please send your application form in French and English (letter, resume, photo), under Box D-450, International Herald Tribune, 181 ave Charles-de-Gaulle, 92200 Neuilly-sur-Seine.

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The Vice President of an International search company, seeks his Personal Assistant.

Fully bilingual French/English, the candidate should be used to high level contacts, she will show excellent organisation skills and be willing to take initiatives when appropriate. Please send your resume, photo and present level of compensation to: International Herald Tribune, Box D449, 181, av. Charles-de-Gaulle, 92521 Neuilly Cedex, France.

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The ideal candidate will have at least 10 years experience in international law encompassing all variety of corporate matters, loan agreements, commercial transactions, arbitration, general litigation, maritime and oil trading, import/export licensing and concessioning.

This position reporting directly to the Chairman requires a person with very good negotiating skills, ability to manage people and to work in a team. He will be fluent in French and English.

If you are interested and meet the above qualifications, please send a detailed curriculum vitae in confidence to the Head of Human Resources under cipher B118761 PUBLICITAS - Case Postale 645 - 1211 GENEVA 8.

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For all positions, send cover letter, CV and samples of recent work to by 9 June: Editor, Knight-Ridder Financial News, KR House, 78 Fleet Street, London EC4Y 1HY.

CYBERSCAPE

Mexico Takes a Cybertrail Blazed by Zapatista Rebels

By Ted Mezz
Bloomberg Business News

MEXICO CITY — The Mexican government is following the Zapatista rebels into cyberspace. As part of a promise to provide foreign investors with more financial information after the devaluation of the peso in December, Mexico's consulate in the United States has begun an electronic information service on the Internet.

The rebels are already there, with a site on the information highway that includes a picture of their masked, pipe-smoking leader, Subcomandante Marcos, and the full text of the Zapatista declaration of war against the Mexican government.

So far, financial information is limited.

The government's offerings are a little more tame. Trade statistics and financial data are mixed with notices of cultural events. A notice of an exhibition by Mexican artists in New York allows users to pull up reproductions of the paintings on display.

The service, available on the part of the Internet called the World Wide Web at <http://www.quicklink.com/mexico/>, is the first step in a broader plan to make Mexico's three main financial databases available.

So far, financial information on the consulate's Web page is limited to some economic figures on exports and international reserves. There is also a place — as yet unfilled — for the stock exchange to post activity reports and for Nacional Financiera, a development bank, to provide some currency and money market rates.

One advantage of the Web is that investors can quickly click on other sites with related information. To find out more about President Ernesto Zedillo, for example, one can click on a separate page created by the Mexican Center of the Institute of Latin American Studies at the University of Texas. The page, reached by typing <http://lanic.utexas.edu/>, includes color photographs of the current cabinet and biographies.

The consulate's Web page is just part of a series of efforts over the past five months to make Mexico's finances more transparent. The project was launched, in part, to counter criticism of the way the government handled information after devaluing the peso in December.

Mexican officials accustomed to tightly controlling the domestic media and limiting the flow of information may have been irked by the steady chatter about Chinas and the Zapatistas on the Internet. There was little they could do about it, since a Zapatista Web page is available through the University of Texas and another from University of Guadalajara by typing <http://mexico.udg.mx/ingles.html>.

So the government decided instead to turn technology to its advantage. "We are taking advantage of new technologies that are available," said Jorge Pinto, Mexico's consul general in New York.

Internet address: CyberScope@thr-lib.demon.co.uk

Traders Vote No On Chirac

Doubts on Pledge Burden Franc

By Carl Gewirtz
International Herald Tribune

PARIS — Now that the French presidential election is over, the foreign-exchange market is voting against the franc. With many dealers doubting that the new administration can keep its pledge to slash unemployment without damaging the currency.

Thus, while the other major currencies barely budged last week and when the European bellwether Deutsche mark fell against almost all its neighbors, the franc declined across the board — even against such weaklings as the Mexican peso and the Italian lira.

Despite President Jacques Chirac's affirmation that he plans no change in exchange-rate policy, the currency market is swamped with rumors that he might finesse this commitment by substituting the anchor for holding the franc strong.

The rumor is that instead of measuring the franc's strength or weakness against the European Union's strongest currency, the mark, the franc would be tied to the European Currency Unit, the current basket of all EU monies that is scheduled to become the area's common currency by the end of the decade.

The advantage of dropping the mark rate in favor of the Ecu anchor is that the basket includes weaker currencies — like the Spanish peseta and the Portuguese escudo — as well as the weaklings that have been driven out of the European monetary system's exchange-rate mechanism (sterling and the lira) and those, such as the Greek drachma, never strong enough to have ever been part of the ERM.

The change in anchor would in no way alter the franc's permissible fluctuation against the mark. The other band would remain unchanged at 3.8948 francs per mark. Rather, by holding the franc stable against the Ecu, the government could allow the franc more slippage against the mark without setting off alarms that now ring when the mark strengthens to 3.6 francs.

In other words, the change would allow the government almost full use of the permitted fluctuation against the mark, an option it had lost. Under present conditions, short-term French interest rates would have to rise to prevent the franc from nearing the outer limit. By anchoring to the Ecu, French rates could fall until the outer limit against the mark was approached.

Charles Wyplosz, a monetary specialist at Insead, the French business school, said that pegging the franc to the Ecu instead of the mark "would be a significant change and a smart move." But he questioned whether France had anything substantial to gain. The move would clear the way for France to cut short-

See FRANC, Page 13

Lloyd's Limps Forward Settlement Offer to Its Backers Awaited

By Erik Ipsen
International Herald Tribune

LONDON — Confused, concussed, and limping besvily, Lloyd's of London this week will confront perhaps the greatest challenge in its three centuries of existence.

The insurance market has lost an estimated \$6.7 billion (\$10.51 billion) between 1988 and 1991, and it is expected to reveal on Tuesday a further loss of about \$1.5 billion for 1992.

Industry sources said Lloyd's also would announce a plan to exorcise the demons that have threatened it with ruin: internecine warfare between those who make up the market by pledging their wealth to underwrite insurance and mushrooming claims against policies written years ago covering risks such as natural disasters and asbestos poisoning.

The main order of business at Lloyd's this week is expected to be a new settlement offer — said to be \$3 billion — to its Names, the individuals whose money has traditionally stood behind its policies. Many Names have alleged incompetence and negligence on the part of agents and underwriters regarding old policies and are suing Lloyd's for damages.

Eighteen months ago, Lloyd's offered its Names \$900 million to, in effect, drop their suits against the market and honor their debts to it. That offer met with prompt rejection. Analysts

now say, moreover, that the increase in the amount of the expected settlement offer is illusory since the market's losses have grown so much.

But in spite of such criticism, there is growing sentiment that Names may now be more willing to seek a compromise with Lloyd's.

"The overwhelming sense is that everyone would like a settlement," said Christopher Stockwell, chairman of the

There is growing sentiment that Names may be willing to seek a compromise.

Lloyd's Names Associations' Working Party, the group representing most of the Names in litigation. "There simply is no joy in the ongoing warfare."

Notwithstanding such wariness, Mr. Stockwell and others have cautioned that Names would balk at any offer that promised them less than they would hope to wring out of the market through the courts.

Key to the success or failure of any settlement offer, however, would be the second prong of Lloyd's anticipated moves: plans to isolate the market, which is currently trading profitably, from the plague of its old policies.

Lloyd's, which reports its results three years in arrears, is believed to have made a

profit of £1 billion in each of the last two calendar years.

Disasters such as the Exxon Valdez oil spill off the coast of Alaska in 1989 and the Piper Alpha oil-rig fire in the North Sea in 1988 devastated the market, as did numerous asbestos cases in the same era.

The plan to separate old and new policies hinges on a new entity, to be called Equitas. Like troubled banks that have essentially escaped their soured loans by consigning them to separately capitalized, so-called bad banks, Lloyd's hopes to place all of its unprofitable policies written through 1992 into Equitas.

But in the case of Lloyd's, where the scope of the potential liabilities is enormous, the exercise is complex to say the least. One of many conundrums is just how much money Equitas would need to pay off on thousands of individual policies. Another is where that cash would come from.

For the Names, Equitas would offer the opportunity to end years of uncertainty over the scope of their potential losses by finally and firmly capping them. With what would be, in essence, policies that insured against the losses of old policies, Names could pay a premium to Equitas and, at last, exit the market.

"It is widely recognized that without a cap, no settlement deal will work," said Richard Platts, membership secretary for the Gooda Walker Action Group, a

See LLOYD'S, Page 13

Singapore Air Gets Lift From More Travelers

By Michael Richardson
International Herald Tribune

SINGAPORE — Buoyed by an upturn in global air travel, Singapore Airlines Ltd. on Monday reported a rise of more than 50 percent in its operating profit for the year to March.

But the carrier's stellar performance was dragged down by weak returns at the company's other units.

The airline posted an operating profit of \$17 million Singapore dollars (\$586 million) for 1994-95, up nearly 53 percent, as fuel prices fell and recovering economies in major industrialized countries encouraged international air travel.

But annual profit of the company's subsidiaries, which include an investment unit, a regional carrier and engineering, airport terminal services and airport duty-free shops, plunged by 60 percent, to 114 million dollars.

As a result, operating profit for the entire Singapore Airlines group rose only 14 percent in the year, to 931 million dollars. Net profit was 917 million dollars, up from 801 million dollars. Revenue rose to 6.56 billion dollars from 5.24 billion dollars.

With rival airlines in the region discounting fares and gaining market share at the expense of Singapore Airlines, the company said the outlook for passenger traffic, which accounts for more than two-thirds of total revenue, was mixed.

It gave no indication whether it would match recent discounts by competitors, including a 30 percent cut in fares to European and U.S. destinations by Malaysian Airline System Bhd.

But Singapore Airlines said competition in 1995-96 would "be keener as airlines jostle to regain traffic after the turn-around of the industry in 1994."

It warned that passenger and cargo margins would continue to be under pressure from competition and the strength of the Singapore dollar. As a long-haul and regional carrier, Singapore Airlines earns much of its revenue in currencies other than the Singapore dollar.

Analysts said Sunday that Singapore Airlines faced a difficult choice: if it failed to respond to fare discounting by rivals it would probably keep losing market share, but if it started price cutting profits would fall.

China Looks for Investors

China will send a delegation to the United States in August to seek help in building new airports and expanding existing facilities, news agencies reported from Beijing.

While the U.S. trip is aimed at drumming up investment for airport construction projects, Yang Yinhao, an official with China's Civil Aviation Administration, said it was only the beginning of a push to attract foreign cash into all areas of aviation infrastructure.

(AFP, Bloomberg)

Sumitomo Leads the Way Into the Red

By Sheryl WuDunn
New York Times Service

TOKYO — It is the biggest bank in the world, owns a chunk of Goldman Sachs & Co., is being harassed and shot at by gangsters and is little known outside Japan.

Sumitomo Bank Ltd. has amassed the equivalent of \$624 billion in assets, about 2.5 times as much as Citibank, by daring to blaze its own trail in a country that preaches conformity. But now it is facing an array of challenges that underscore the turmoil in Japan's financial sector.

Since 1916, when Sumitomo became the first private bank in Japan to expand overseas, it has been one of the country's most aggressive and profitable institutions. This week, its fortunes will take a new turn as it becomes the first Japanese bank in the post-war period to report an annual loss. At least three other Japanese banks also are expected to post losses this month.

For Sumitomo, the loss in the year to March 31 will come because it is writing off a large chunk of bad debt.

Analysts love this sort of aggressiveness, but customers often do not. A survey among corporate banking customers this month found that Sumitomo was the most unpopular bank in Japan — apparently because it has the temerity to turn down credit risks.

"If there is any Japanese bank that is most like an American bank, it is Sumitomo," a competing Japanese banker said. "It is the most profit-driven. If your industry doesn't have potential, they won't lend to you."

Sakura Plans Write-Off Of \$4 Billion in Loans

Bloomberg Business News

TOKYO — Sakura Bank Ltd. plans to write off a total of 350 billion yen (\$4 billion) in bad loans in the year to March 1996, the Nihon Keizai newspaper said. The bank may sell stocks to generate cash for the write-off.

Japanese financial institutions are in the process of writing off a huge volume of nonperforming loans extended to real estate buyers in the 1980s. Major commercial banks alone have bad loans totaling more than 13 trillion yen.

Just a few years ago, size and status were everything to a bank. In the 1980s, economic growth in Japan led its bankers to lend recklessly at home and expand breathlessly overseas.

Sumitomo added 14 offices abroad in the late 1980s, invested \$500 million in Goldman Sachs and racked up a pile of bad loans.

It is now paying for that wild growth. It was forced to absorb a large client, Itohan, that collapsed in the middle of an art scandal and led to the resignation in 1990 of Sumitomo's chairman, Ichiro Isoda.

Write-downs related to Itohan also make up a significant part of this year's losses, which are expected to be between 250 billion yen and 300 billion yen (\$2.9 billion and \$3.5 billion).

Then for more than a year, Sumitomo had a series of bizarre brushes with the Japanese underworld. It was the target of more than a dozen attacks, presumably stemming from business dealings with crime syndicates or loans turned sour.

In 1993, a Molotov cocktail was tossed into the residence of Tsutomu Sotou, the bank's current chairman. Then, apparently in a separate incident last fall, an executive director in the bank's Nagoya branch was fatally shot.

Now Sumitomo seems to be turning a page, or at least bringing itself into line with banks in the rest of the modern world.

It is building a new computer system, extending banking hours, expanding its lending to small companies and developing better techniques for risk management. It also is cleansing its books and trimming its size to prepare for the next bout of fierce competition.

"Japan has been behind the United States by 10 years," said the president of Sumitomo, Toshio Morikawa, who recently stepped down as the industry's leading spokesman.

Sumitomo's experience is a warning light to other banks with growth aspirations, particularly Bank of Tokyo-Mitsubishi, which is expected to be formed next spring through the merger of Bank of Tokyo Ltd. and Mitsubishi Bank Ltd.

Not only Sumitomo, but all the major banks are trying to find a way to survive, an executive at a Japanese bank said. "For five decades after World War II, bankers have lived in a highly regulated industry and top banks look so similar to each other."

ICI Submits New Bid for Grow Group

Reuters

LONDON — Imperial Chemical Industries PLC said Sunday that it had submitted a new bid in its battle with a U.S. rival, Sherwin-Williams Co., for control of the New York-based paint maker Grow Group Inc.

"ICI has submitted a bid," said an Imperial spokesman, refusing to give details.

ICI opened the bidding on May 1 with a \$18.10 per share offer for Grow that valued the company at \$290 million, only to see it topped a week later by a \$19.50-per-share offer from Sherwin.

For both bidders, buying Grow would fulfill a pressing need to increase sales in the U.S. market, which accounts for a third of global paint sales, analysts said. Grow's marine coatings and strong retail-store presence, especially in California, make it a good fit for both suitors.

Industry observers have added that cost-cutting opportunities at Grow are considerable. ICI currently sells around \$1 billion in paint per year in the United States, having bought the Cleveland-based Glidden paints for \$550 million in 1986. That acquisition brought it into head-on competition with Sherwin, which is also based in Cleveland.

ICI, the British chemicals giant, last year introduced its Dulux brand of paint in the United States and further strengthened its hand by acquiring Decatur Paints of California.

Grow had sales of \$402 million in the year ended June 30, 1994.

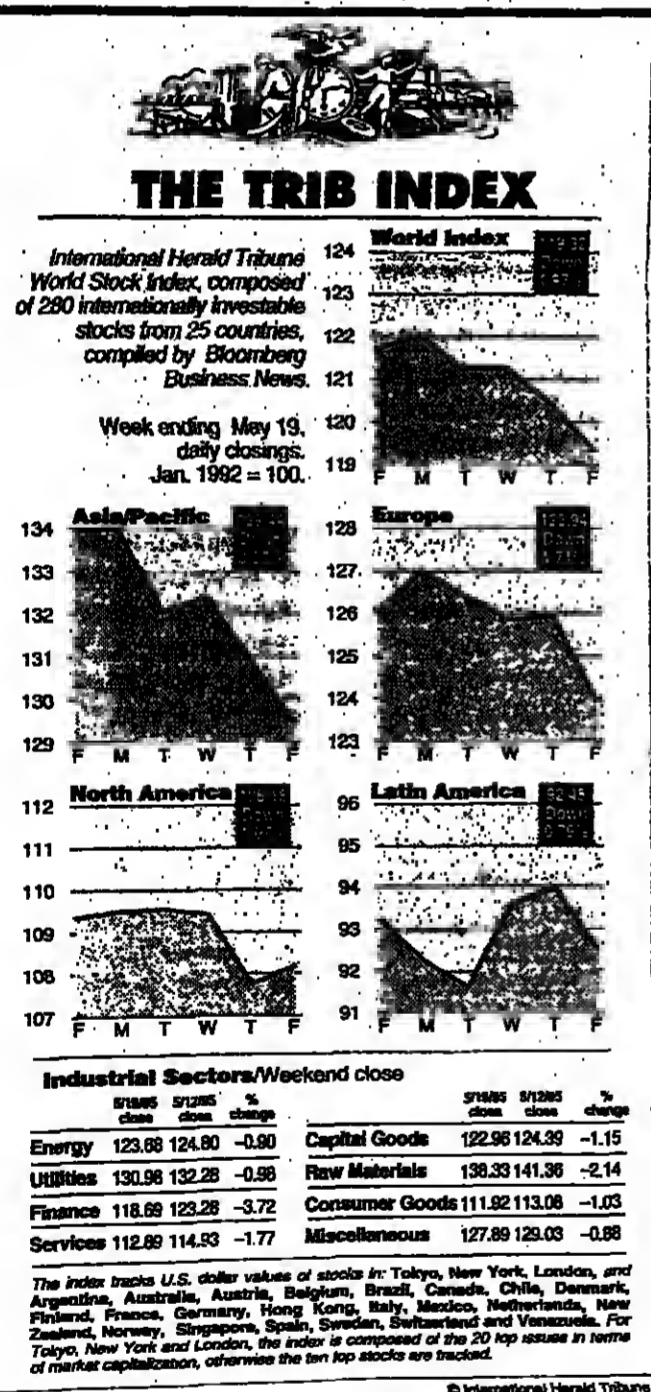
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ICI, the British chemicals giant, last year introduced its Dulux brand of paint in the United States and further strengthened its hand by acquiring Decatur Paints of California.



AromaScan Is Betting That Its Nose Knows

By Erik Ipsen
International Herald Tribune

CREWE, England — In the demonstration room of AromaScan PLC, a group of tobacco executives are watching a teal and cream-colored machine that looks like a large coffee maker sniff a bag of Old Hoborn tobacco through a tube.

The company bills its machine, which has applications in a wide range of industries including food and brewing, as the world's first electronic nose.

It also proudly points out that, last month, the apparatus (which goes by the same name as the company) was one of five finalists in a competition sponsored by the Prince of Wales to find the most innovative new British technology of the year.

Using a tiny silicon chip imbedded with 32 different polymer sensors and running data through a small computer, the machine tells its audience just what it thinks of Old Hoborn. The analysis shows up in the form of a series of dots on a pair of two-dimensional graphs — a representation of the scent's unique electronic fingerprint.

By refining the software — in essence, educating the machine — AromaScan claims its device can perform tasks ranging from detecting tiny amounts of foreign matter in wheat (a useful task for bakers) to distinguishing between various single-malt

Scotch whiskeys (an essential task for whiskey blenders).

"It can tell you the difference between Glenfarrclas and Glenlivet, between Kenyan coffee and Brazilian, between high roast and low," boasts Allan Syms, AromaScan's managing director.

John Tomlinson, a research scientist at Whitbread PLC, the British brewer, has been using the machine for more than a year. In fact, Whitbread has bought two of the devices and is using them to test everything from finished beers to the hops and barley that go into them. "There is no way it will replace the human nose, but it takes the onus away from human perception, which can be fickle," said Dr. Tomlinson.

More to the point, Whitbread is experimenting with the notion of replacing its traditional panel of tasters in one of its breweries with the machine. If the AromaScan's charts showed any anomaly in a day's batch of beer, the humans could quickly be summoned for their assessment. That, however, would take five tasters as long as 20 minutes, compared with the 20 seconds it takes the machine.

AromaScan, which has about 50 employees, sold 20 of its machines last year, at \$50,000 each. Customers ranged from Kellogg Co., the American cereal maker, to the U.S. Food and Drug Administration. This year AromaScan is shipping about four machines per week.

AromaScan is a new company, launched at the beginning of last year to commercialize the results of more than a decade of research led by Krishna Persaud at the University of

Manchester's Institute of Science and Technology.

The university scientists had originally called their machine the Odor Mapper and their enterprise, World of Odors. But businessmen brought in to carry out the commercialization of the project, led by Mr. Syms, quickly fastened on the more upbeat AromaScan moniker. Under that name, the company went public with a £12 million

Whitbread PLC is considering replacing its panel of human tasters with the machine in one brewery.

(\$18.8 million) share issue last August.

In the six-month period ended last Oct. 31, AromaScan lost £819,000. "We fully expect to be in profit by the second half of '96," said Frederick Woot, the company's financial director. Up-to-date results are due soon.

AromaScan's shares have also been tested. Issued at 100 pence, they fell to a low of 73.5 pence in January but have since rebounded to close at 82 pence on Friday in London.

Key to Mr. Syms's confidence is the huge array of purposes to which he sees the new technology being applied. While he plans to continue making equipment for laboratory-based tests, he also hopes to enter arrangements with licensees who might use the chips in everything from home

appliances to production-line, quality-assurance devices.

Indeed, he envisions his sensor chips going into ovens that could "smell" when food was cooked, for example, and into refrigerators that could "sniff" when something was in danger of being in storage too long.

To Mr. Syms, the nose is one of the most vital human organs. "Our nose is constantly interacting with the environment in which we live, telling us whether it is safe or not, and healthy or not," he said.

Scientists have calculated that smell accounts for 90 percent of the human sense of taste. That is why brewers, for example, can contemplate substituting an electronic nose for a panel of human tasters. That is also why, says Mr. Syms, our mothers held our noses when administering foul-tasting cod-liver oil, or why a stuffed-up nose makes for tasteless meals.

The human nose has 30 different types of sensors that can differentiate up to 10,000 aromas, Mr. Syms said. The tongue, he added, can only differentiate between four qualities: sweetness, sourness, bitterness and saltiness.

The polymer-embedded chip — which along with the AromaScan software are the only things the company actually makes itself — mimics the action of the human nose, Mr. Syms maintained. Different molecules in a small sample effect the ability of the polymers to conduct electricity, and those effects are translated into the scent's electronic fingerprint.

Articles in this series appear every other Monday.

Schneider Gave Lesson on How to Elude Global Manhunt

By Nathaniel C. Nash
New York Times Service

WIESBADEN, Germany — Perhaps Nicholas Leeson, the young trader accused of bringing down Barings PLC, should have known more about Jürgen Schneider.

Mr. Leeson lost more than \$1 billion at Barings by making sophisticated trades in derivative financial instruments. Having fled Singapore before his losses were discovered, he was caught only days later at the Frankfurt airport.

In contrast, Mr. Schneider lost more than \$3 billion from the collapse of traditional real estate investments after he persuaded Germany's most sophisticated bankers to overvalue them.

As his losses came to light, Mr. Schneider and his wife vanished for 13 months — until his surprising arrest in Miami on Thursday.

As such, Mr. Schneider provided an object lesson on how to elude an international manhunt. More significantly, he showed how one person could deliberately exploit the financial possibilities in a bubble real estate market like that of Eastern Germany after reunification.

Unlike the Barings scandal, in which Mr. Leeson took little understood hedging positions that lost hundreds of millions of dollars in days, Mr. Schneider paid too much for properties, spent too lavishly on improvements and did not have many tenants.

So he kept his empire afloat by securing new loans from Germany's largest banks and allegedly falsifying rental documents. Annual losses of \$390 million went undetected until it was too late.

The collapse of his empire raised a serious question about the big German banks. Can they tend to their basic business of lending while they are su-

perverting other, unrelated businesses? The arrest of Mr. Schneider is likely to raise that question again.

Currently, German banks are permitted to hold big investments in multiple German companies and to hold seats on those companies' boards.

"The banks are just beginning to say their image is improving, that the public is thinking better of them, and this will throw a cloud over it all," a banking analyst in Frankfurt said.

But for now, the public is still trying to take in the fact that the "housing king" of Germany, known for his expensive suits and tuxedos, a toupee and a glamorous wife, has been reduced to the image they saw on television Friday — that of a nearly bald, older-looking man with a small mustache, dressed in shorts and a white sports shirt. He looked more like a Florida retiree than a Frankfurt socialite.

Mr. Schneider was arrested in down-

town Miami by FBI and German agents as he sat in a rented car outside a bank. His wife, Claudia, was arrested 45 minutes later at their high-rise apartment about 12 miles north of Miami.

"This was one of the hardest investigations, if not the hardest investigation, to conduct in the last 10 years of this agency's history," said Hans Schmid, chief of investigations for the German Federal Police.

With a cultured manner and enormous self-confidence, the man who eventually became the largest real estate magnate in Germany was able to woo almost any banker.

Auditors who later studied the ruins of his empire shook their heads at how clear it was that his projects were too lavish and lacked enough tenants. To persuade banks to keep lending, police say, he falsified rental contracts and financial statements.

Eventually, in early 1994, it became

evident that he was in a cash squeeze as Germany was enduring its harshest postwar recession. On April 6, Mr. Schneider left Germany for Switzerland, citing the need to take a vacation for his health.

Thus began the 13-month flight. Within days his wife joined him, and they traveled to Washington and on to Florida, where they stayed in the apartment of a friend and business partner.

But after a few days in Miami, police investigators say, the Schneiders began using false identifications and then disappeared.

So had billions of dollars owed to scores of businesses. Auditors concluded that 150 banks and businesses were owed more than \$3.6 billion.

So panicked were small companies about recovering their debts that they began to raid Schneider building sites, taking back equipment and building materials.

SHORT COVER

Exports Spur South Korean Growth

SEOUL (AFP) — Brisk exports and heavy investment helped South Korea attain 9.9 percent economic growth in the first quarter of the year, the highest level in four years, a top policy-maker was quoted as saying on Sunday.

"South Korea's economy grew 9.9 percent in the first quarter, boosted by an increase in exports and brisk industrial investment," said Han Yi-Hon, a senior presidential secretary. Mr. Han voiced concern about a snowballing balance-of-payments deficit but said the government would need no special steps to adjust the pace of economic growth.

South Korea's current-account deficit swelled in the first quarter of this year to \$3.75 billion from \$2.16 billion in the like period last year.

German Steelworkers Get Pay Raise

BONN (AFP) — Unions and employers of the German iron and steel industry have reached agreement on new wage rates for most of their 105,000 workers in the former West Germany.

The agreement, reached late Friday, covers 90,000 workers in the states of North Rhine-Westphalia, Lower Saxony and Bremen, where most of the industry is concentrated. They will receive a 155 Deutsche mark (\$107) bonus in their May pay packets and a 4 percent wage increase beginning in June.

The powerful IG Metall trade union, which went into the negotiations demanding a 6.5 percent wage increase, had provoked a series of stoppages to protest against the employers' original offer of a 2.9 percent rise. Harald Scharau, an IG Metall official, said both sides would begin talks soon on increasing the number of apprenticeships in the industry, which he alleged had fallen by 40 percent in recent years.

Higher Prices Lift Italian Industry

ROME (Bloomberg) — Producer prices in Italy's industrial sector rose 1.3 percent in March from February and 7.5 percent from March 1994, the country's national statistics bureau said over the weekend. The increase, driven by higher prices for processed raw materials, was the largest since 1989 and was in line with economists' expectations.

The data showed continued acceleration in prices since the annual rate bottomed at 3.0 percent in early 1994. Producer prices rose 1.1 percent in February, which put the year-to-year increase at 6.3 percent. For all of 1994, producer prices rose 3.8 percent.

The report was the first of two indicators that were expected to show that Italy's inflation rate was increasing. A Monday report on consumer prices in Italy's nine largest cities was expected to show that annual consumer inflation rose to 5.4 percent in May from 5.2 percent in April.

Li Ka-shing Chooses Grand Cayman

HONG KONG (Reuters) — The Hong Kong tycoon Li Ka-shing has chosen to deposit much of his personal fortune in the Cayman Islands, a Hong Kong newspaper said Sunday.

The South China Morning Post said that Mr. Li had chosen the Caribbean tax haven as a base for newly created trusts holding his personal shares in his flagship property company, Cheung Kong (Holdings) Ltd.

Mr. Li had earlier said he would transfer the trusts out of the British colony to save on inheritance taxes but had declined to say which jurisdiction had been selected. The newspaper said a search of the company registry had revealed that the three trusts were based at a post office box in Georgetown, Grand Cayman.

RWE Files Complaint Over Reactor

FRANKFURT (Reuters) — The German electricity utility RWE Energie AG said over the weekend that it had filed a legal complaint against the state government of Hesse for ordering it not to restart a nuclear reactor near Frankfurt.

The Biblis B reactor was shut down in February after steam was discovered leaking from a crack, but RWE said it had since met all safety requirements set by authorities. RWE informed the Hesse environment ministry that it intended to restart the reactor on Friday night but the ministry immediately issued an order disallowing the move.

Reprieve Seems Near For Orange County

Los Angeles Times Service

COSTA MESA, California — Orange County was about to close a deal over the weekend that would postpone repayment of nearly \$1 billion in short-term debt for a year, averting a default that has threatened to brand one of America's wealthiest counties a deadbeat borrower.

Bondholders met with county representatives Friday in Los Angeles to forge a settlement that — even though it would offer a welcome reprieve to the bankrupt county government — would cost the county nearly a percentage point in interest, at a price of over \$9 million.

"It is not concluded, but we believe there will be an agreement by early next week," said Orange County's chief executive, William Popejoy.

Skip Victor, of Cham & Co., a financial adviser to a group of county creditors that includes holders of \$1 billion in short-term notes coming due this summer, added: "I think we're close."

An agreement would calm the jittery municipal finance market in the United States, which, since the county's December bankruptcy filing, has issued repeated, loud warnings that every issuer of municipal debt in California — and perhaps beyond — would pay a premium and suffer lingering consequences if Orange County defaulted.

Negotiating the \$1 billion debt rollover was one key element of a financial recovery plan that also relied on the new revenues that would be generated if voters approved Measure R, the half-cent sales tax increase that will be on a June 27 ballot, county officials said.

"Measure R is critical to provide a revenue stream to repay the bondholders, the schools, the cities and all the other pool participants," Mr. Popejoy said. If the measure passed, the new tax revenues would not begin flowing to the county until late this year or early 1996.

USAir Seeks Concessions With the Last of Its Unions

By Frank Swoboda
Washington Post Service

WASHINGTON — US Air Group Inc. has agreed with the Association of Flight Attendants to trim millions of dollars a year from the union's contract, allowing the way for the financially troubled airline to cut its labor costs by \$2.5 billion over the next five years.

The flight attendants' union, with 8,300 members, was the last of the airline's three major unions to sign off on wage and work rule concessions. US Air had to reach agreement with its unions before it could seek shareholder concessions as part of a broad financial rescue package needed to assure the airline's survival.

US Air executives warned that all of the union agreements must still be approved by the membership — which could take weeks — and that the concessions were contingent upon approval by US Air's board and stockholders.

After the contract was approved by the union membership, US Air must then try to restructure the financial terms of its publicly held preferred stock.

Two of US Air's major preferred shareholders are British Airways PLC, which owns 24.6 percent of the company, and the billionaire investor Warren Buffett, who owns 13 percent. Both have the power to scuttle the deal.

LLOYD'S: Settlement Expected

Continued from Page 11

Lloyd's insurance syndicate. In fact one of the greatest challenges facing Lloyd's this week is the feeling in the industry that it must solve not just one set of problems but all of them.

"The problems are all interlinked," said William Lewis, a director at Minorities Underwriting Agencies, a Lloyd's agency. "I don't think Lloyd's will come up with a magic wand solution but I do hope they can come up with a plan in principle."

One of the trickiest and most essential ingredients to such a plan will simply be something of which Lloyd's is conspicuously short at present — cash. A settlement with litigating Names could be one source, in that Names — provided they were still solvent — would then be expected to abandon their

legal battles and pay off their debts to syndicates.

Another could be a widely expected levy on both corporations and Names currently underwriting in the market. A third source would be the market's institutions themselves.

"Lloyd's brokers and agents have to be prepared to dig very deeply into their own pockets and to make a very positive contribution," said Charles Sturge, an analyst at Chase, a company that monitors the British insurance industry. He pegged the likely sum at £500 million.

To try to claw some of those profits into efforts to escape its present problems, Lloyd's is also expected soon to announce that it will end its practice of waiting three years to realize the profit or loss on its business.

The Week Ahead: World Economic Calendar, May 22 - May 26

A schedule of this week's economic and financial events, compiled for the International Herald Tribune by Bloomberg Business News.

Asia-Pacific

May 22 Tokyo March industrial production.

May 22 Hong Kong Consumer price index figures for April 1995.

Earnings expected: Beijing Development (Hong Kong); Hop Hing Holdings; Shengmen Foodstuffs Holdings; Manion Holdings.

May 23 Hong Kong Hong Kong General Chamber of Commerce hosts seminar on Airport Railway & Property Development with speakers from the Mass Transit Railway Corp and Brocks Miller Partners.

Washington New dwelling unit estimates for April and labor-cost index for the March 1995 quarter.

May 24 Tokyo April supermarket sales.

Sydney Paul Elliott, parliamentary secretary to Australian Treasurer Ralph Willis, speaks at a breakfast meeting of the Securities Institute of Australia.

Wellington April merchandise-trade figures.

Tokyo Prime Minister Paul Keating to begin day-long visit to Japan for talks on trade and other issues.

Sydney David Mortimer, managing director of TMT Ltd., to address Securities Institute of Australia.

Earnings expected: Cheong Holdings; Pacific Concord Holdings.

May 28 Sydney Corporate investment for the January-March quarter.

Sydney Perth Perth Funds Management executives hold a news conference about issues facing the funds management and financial planning industries.

Hong Kong Retail sales figures for March from the Census and Statistics Department.

Earnings expected: China Everbright International; Cross-Harbour Tunnel Co.; Lucky Sun Properties; National Mutual Asia; Wah Holdings.

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Europe

Expected this week Frankfurt-Germany preliminary estimate of living. Forecast: Up 0.2 percent in month, up 2.2 percent in year. Also, March capital account.

Madrid Spanish March current account. Forecast: Down 0.1 percent in month, up 1.1 percent in year. Also, April bank lending. April balance of payments.

Brussels U.S. Trade Representative Leon Brittan, following the EU's condemnation of U.S. auto sanctions against Japan.

Copenhagen April consumer price index. Forecast: Up 0.5 percent in month, up 2.4 percent in year.

Frankfurt April producer price index. Forecast: Unchanged in month, up 1.8 percent in year.

Paris April consumer price index. Forecast: Up 0.1 percent in month, up 1.5 percent in year.

Rome Italian April May consumer price index. Forecast: Up 0.5 percent in month, up 1.8 percent in year.

Earnings expected: British Airways.

May 28 Paris March visible trade balance.

Stockholm April trade balance. Forecast: Up 0.1 billion kronor surplus in month. Also, April producer price index. Forecast: Up 10.2 percent in year. March industrial production. Forecast: Up 11.5 percent in year.

London First-quarter gross domestic product, second estimate.

Paris April household consumption. Forecast: Up 0.8 percent in month.

Stockholm March retail sales.

Earnings expected: Nedlloyd; Argyl Group; Courtauld; Land Securities; Bascor Communications.

May 28 Earnings expected: Cable & Wireless; Powergen; S.G. Warburg; SEAT.

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Americas

May 22 Washington April durable goods orders.

Washington National summit led by government and industry leaders, on privatizing the U.S. Postal Service.

New York Germany's stock, futures and options exchange, the Deutsche Börse, seminar on its products and offerings.

Mexico City Mexico's central bank publishes its balance sheet.

Mexico City Mexico announces the inflation rate for the first two weeks of May.

Bogota Bloomberg Seminar, Hotel Casa Medina.

New York "Foreign Investment and Business Opportunities in Minas Gerais, Brazil" with the deputy governor of the state. Sponsored by the Brazilian American Chamber of Commerce.

Ottawa April consumer price index.

May 28 Washington April existing home sales.

Washington The Labor Department reports initial weekly state unemployment compensation insurance claims.

Ottawa March international transactions in securities.

Toronto Robert Hutchinson at law firm Borden &

Rocking the Socks Off the Harmonica

By Mike Zwerin
International Herald Tribune

In Britain, the slang term *grotty* — usually followed by the sound of "yecch!" — may be derived from *grotesque*.

outside the nine dots, but most people automatically think that they have to stay within the nine dots."

Months later, when a reporter suggested a link between criticism of the government and the Oklahoma bombing, Gingrich

In Britain, the slang term *grotty* — usually followed by the sound of "yecch!" — may be derived from *grotesque*.

It became an underground event, the press picked up on it. Harmonica virtuoso Toots Thielemans encouraged him to learn the difficult chromatic harmonica (like Stevie Wonder plays). Sugar jammed with Dexter Gordon. Mick Jagger heard about him through a



poser Willie Dixon ("Little Red Roost-

nails.

It may be time to get out of Dodge City again. Even though he's 45, he's still considered one of the "younger generation" of blues musicians. There's still time. And as Little Walter told him: "You got to look out for Chicago. It's like a hungry dog eating its tail. By the time he's finished his meal he's up to his neck."

POSTCARD

Asia

	Today		Tomorrow	
	H	W	H	W
	C	C	C	C
Bangkok	34.93	24.75	34.493	25.77
Batavia	29.82	16.61	34.73	25.53
Hong Kong	31.08	25.37	29.84	24.73
Manila	33.91	25.75	34.92	24.99
Seoul	31.67	15.54	34.113	25.83
Singapore	27.77	11.52	33.77	13.83
Taipei	30.85	23.37	34.113	25.83
Yokohama	31.67	22.73	32.69	23.33
Taipei	29.75	23.73	29.82	22.71
Taipei	34.75	14.67	32.77	10.50

Latin America

Buenos Aires	20.58	10.52	18.854	0.854
Caracas	21.67	13.54	21.75	19.65
La Paz	19.67	15.39	21.79	17.62
Lima	30.68	15.49	33.68	16.61
Santiago	21.67	13.54	21.75	19.65
Santiago	19.67	8.33	19.654	8.43

North America

Anchorage	13.65	8.94	21.908	7.04
Atlanta	33.95	19.06	32.980	16.54
Boston	29.78	13.65	31.75	12.43
Chicago	29.78	13.65	31.75	12.43
Denver	19.68	7.34	18.524	5.41
Houston	21.67	12.53	23.73	11.52
Los Angeles	29.78	13.65	31.75	12.43
London	21.67	12.53	23.73	11.52
Los Angeles	29.78	13.65	31.75	12.43
Miami	21.67	12.53	23.73	11.52
Minneapolis	31.98	11.72	31.95	25.77
New York	29.78	13.65	31.75	12.43
New York	31.98	24.71	31.98	23.73
New York	29.78	13.65	31.75	12.43
San Francisco	29.78	13.65	31.75	12.43
San Francisco	19.67	7.34	19.654	7.43
Taipei	34.75	14.67	32.77	10.50

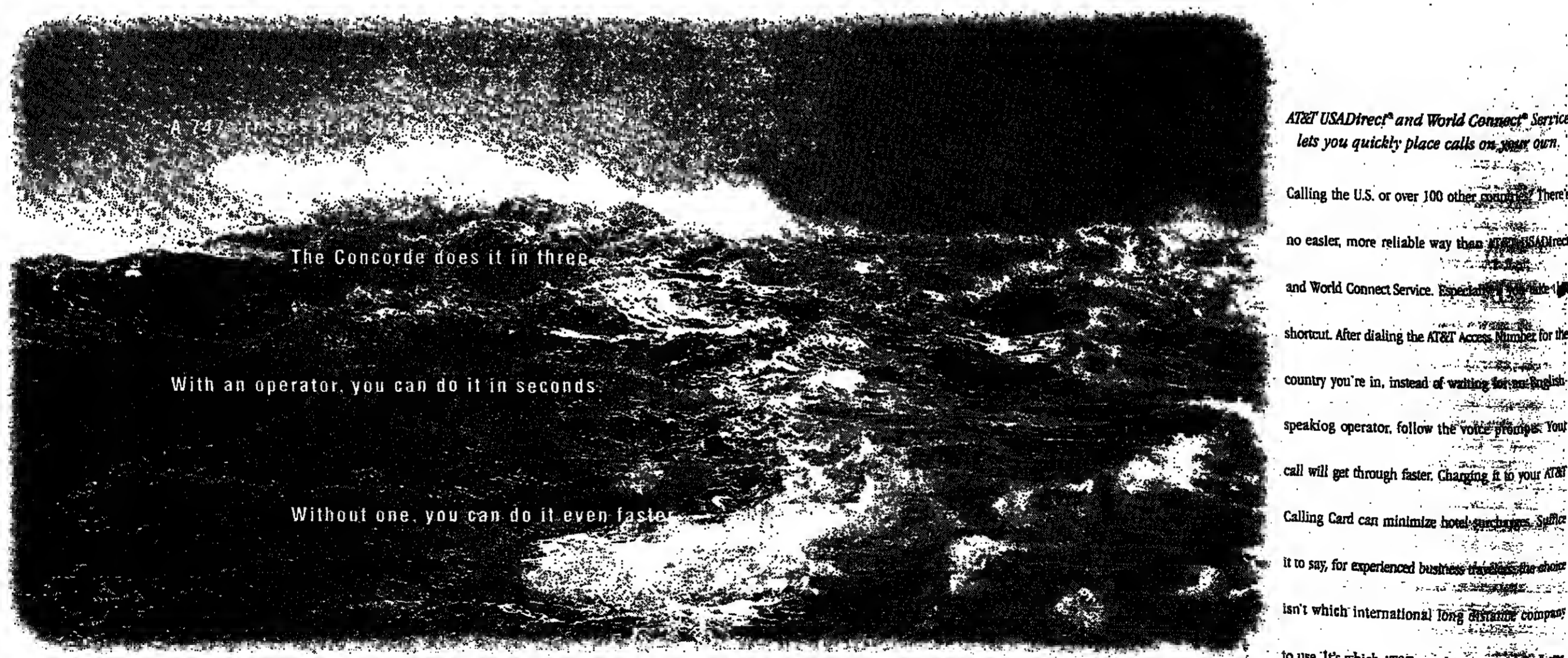
An Eccentric Publisher Snares Nobel Winners

By Mary B.W. Tabor
New York Times Service

Instead, the soft-spoken and graying Oe was accompanied by Marion Boyars, a petite, older woman with thick dark eyebrows, a brunette bob and a British accent, whose publishing ventures have been as unconventional as she is. Nonetheless, Marion Boyars Publishing puts out about 25 books a year, including works by Oe and three other Nobel laureates. In the case of Oe, in the 1960s and '70s several publishers, including Grove Press, M.E. Sharpe and Kodansha, published his works in En-

It clearly isn't out of fiscal prudence. Her first Oe book, for example, "Teach Us to Outgrow Our Madness" (1978), sold a mere 500 copies, failing to earn back its modest advance. Still, she eagerly bought two more. (Blue Moon Books is publishing two Oe

said: "Marion is the last of a dying breed of eccentric, entrepreneurial, idiosyncratic publishers who publishes her passions. I have a lot of respect for her that she has hung in there for so long. It is very hard for a publishing program built entirely of this kind of work to survive."



A 747 can take 30 minutes to get to Paris.

The Concorde does it in three.

With an operator, you can do it in seconds.

Without one, you can do it even faster.

AT&T USADirect® and World Connect® Service lets you quickly place calls on your own.

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Indians Sweep Up Red Sox, 12-10

The Associated Press
Carlos Baerga and Paul Sorrento each homered twice, as the Cleveland Indians rallied against Boston's bullpen for the third consecutive game Sunday for a 12-10 victory.

The Indians trailed 9-6 before tying it in the eighth on Sorrento's second home run of the game, then won it in the ninth when Baerga led off with a double and scored on Jim Thome's double.

The loss spoiled a nice debut for former replacement player

ter Bobby Higginson. Detroit's third pinch-hitter, Lou Whitaker, drove in Samuel with a double and Chad Curtis followed with a sacrifice fly that drove in the tie-breaking run.

In games played Saturday:
Indians 7, Red Sox 5: Albert Belle and Jim Thome homered as the Indians scored four runs in the eighth inning to beat Boston.

Tigers 10, Blue Jays 6: Kirk Gibson and Chris Gomez each hit two-run singles to highlight a seven-run seventh inning as Detroit defeated Toronto.

Yankees 7, Orioles 2: In New York, Mike Stanley and Danny Tartabull each doubled in two runs in a five-run third and New York defeated Baltimore.

Angels 7, White Sox 5: Pinch-hitter Carlos Martinez singled home the go-ahead run off Rob Dibble, who was promoted from the minors on Monday, with two outs in the 10th inning, and visiting California beat Chicago.

Rangers 7, Brewers 6: In Arlington, Texas, Mickey Tettleton's two-out single in the 11th inning scored Otis Nixon from second base, lifting Texas over Milwaukee.

Athletics 11, Royals 1: Todd Stottlemyre retired 22 consecutive batters and tied a career high with 10 strikeouts, leading Oakland over Kansas City, playing at home.

Mariners 10, Twins 6: The Minnesota rookie Marty Cordova homered in his fifth straight game, tying a team record, but Jay Buhner hit two homers and drove in five runs in a road victory for Seattle.

AL ROUNDUP

Ron Mahay, who had two hits and made a great catch in the ninth that kept Baerga from scoring — albeit temporarily.

With Baerga on second, Albert Belle hit a sinking line drive to the right-center gap that Mahay reached out and caught at waist level. But Baerga scored, along with Eddie Murray, when Manny Ramirez singled to make it 12-9.

Mo Vaughn hit his major league-leading 11th home run in the fourth, and Mike Greenwell and Tim Lincecum also homered for Boston.

Yankees 5, Orioles 0: Sterling Hitchcock pitched a four-hitter for the first shutout of his career, as New York beat Baltimore. Hitchcock struck out a career-high eight and walked one to win his second straight start.

Jeff Manto doubled twice and Rafael Palmeiro singled twice for the visiting Orioles. Cal Ripken drew Hitchcock's only walk after Palmeiro's single in the fourth, but Chris Hoiles flied out to end the inning.

Randy Velarde's first homer of the season sparked a three-run fifth against Ben McDonald, McDonald, winless in his first five starts, allowed five runs and 10 hits in 5 1/2 innings.

Mariners 5, Twins 2: U-beaten Randy Johnson struck out 10 without walking a batter, and Seattle held off Minnesota.

Johnson gave up two runs on five hits in eight innings. He has a 1.21 ERA and leads the majors with 49 strikeouts.

Minnesota's Marty Cordova had his string of consecutive games with a home run stopped at five, three short of the major league record. Cordova struck out twice and was hit by a pitch.

Cordova's five-game streak tied the major league rookie record. The string also matched a team mark set by Harmon Killebrew in 1970.

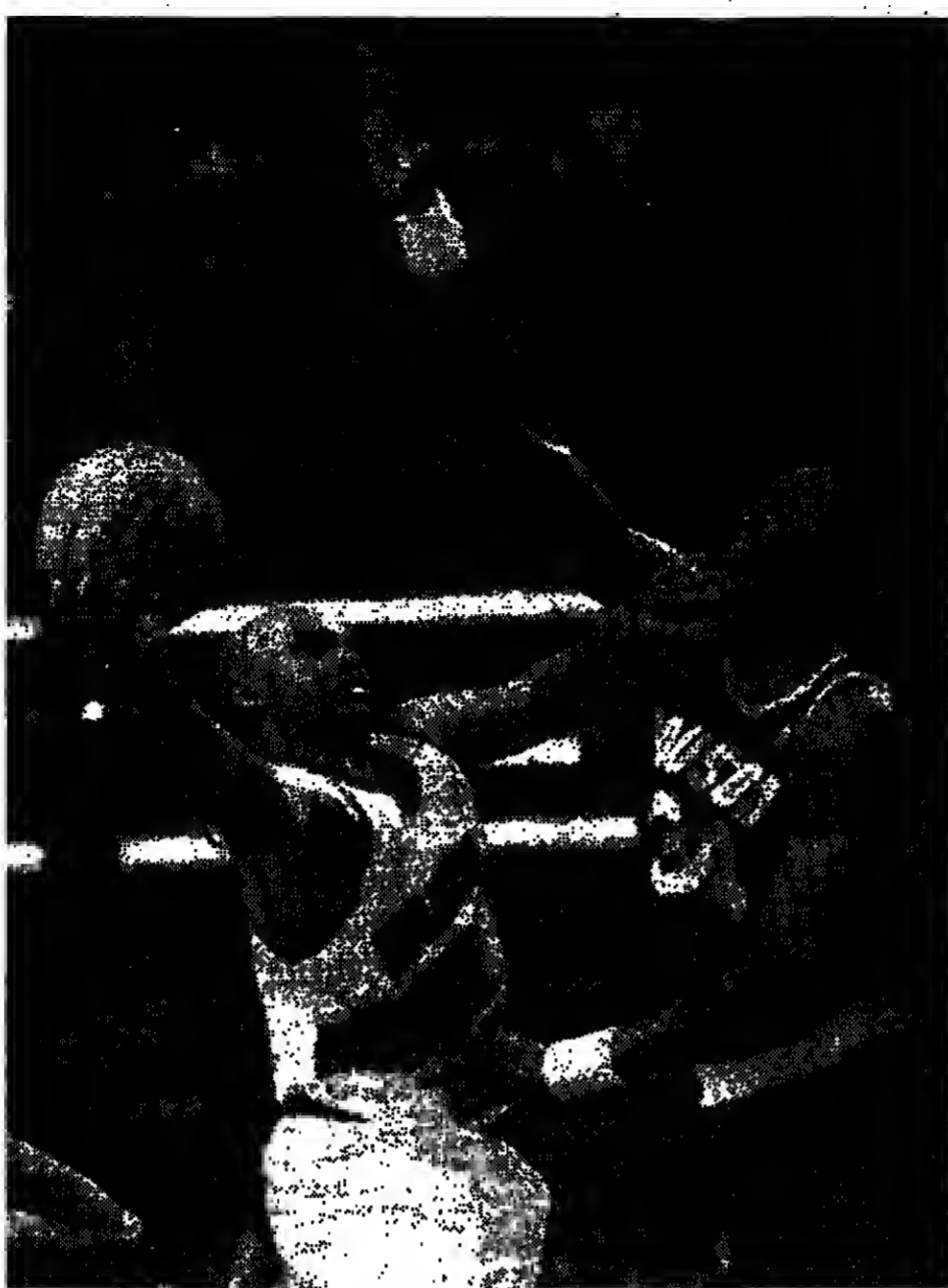
Minnesota tied the game in the third on a leadoff double by David McCarty and a single by Jeff Rehoulet. But Johnson retired the next three batters after that to take control.

The Twins closed to 3-2 in the seventh on Pedro Munoz's leadoff home run.

Tigers 2, Blue Jays 1: Detroit held without a hit for five innings by Al Leiter, scored two runs off reliever Danny Cox with the help of three pinch-hitters to defeat visiting Toronto.

Despite having a no-hitter in progress, Leiter was pulled in favor of Cox after five innings. Leiter had thrown 93 pitches and walked six.

Juan Samuel led off the seventh with a single, stole second and, after a walk to pinch-hitter Franklin Stubbs, moved to third on a fly-out by pinch-hit-



In a frustrating game for Charles Barkley, left, Hakeem Olajuwon was just one problem.

Rockets Eliminate Suns, And for Barkley, That's It

By Tom Friend
New York Times Service

PHOENIX — The Houston Rockets are on their ninth life, and Charles Barkley is about to get a life.

A long, 3-point shot from their most obscure guard put the Rockets in the victory lane Saturday, with a 115-114 victory, and it also may have nudged one of basketball's most irascible players out the door.

His left knee creaks, his outside shot is flat, and his Phoenix Suns revolve around somebody else, so Barkley announced later that his retirement is imminent. He has said all of this before — annually, in fact — but this time he went so far as to call a post-game meeting to tell his teammates they can have his locker.

"I'm not saying this is 100 percent done, but I'll say more than likely I have played my last game," said Barkley, 32. "It's just, it's time. It's time. I can't see my skills getting better; I can only see them getting worse."

For this game, the point guard Kevin Johnson borrowed the Suns from Barkley, scored 46 points, but watched in horror as the Rockets pulled off another great escape to win in the seventh and final game of this Western Conference semifinal.

Mario Elie stole the series by draining a 3-point corner shot with 7.1 seconds remaining.

"I told him he's a wicked man," the Houston center, Hakeem Olajuwon, said of Elie.

It turned a 110-110 tie into a 113-110 lead for the Rockets, and, after a Ping-Pong game of free throws, Danny Ainge's half-court heave at the buzzer — to win it for Phoenix — found only backboard.

So, the Rockets, the defending National Basketball Association champions, once again rose from their deathbed. They have now turned the Western Conference Finals into the Texas state championship. Starting Monday, it is the Rockets versus the San Antonio Spurs — and may be the best center win.

Olajuwon was that center on Saturday, scoring 16 of his 29 points in the fourth quarter, after serving as an assistant coach in the third.

Not many clubs are as resilient as Houston. Two different players in this series, Clyde

Drexler and Sam Cassell, have needed I.V. treatment just to play, and two others — the sharpshooter Vernon Maxwell, on a leave of absence, and the power forward Carl Herrera, who has a shoulder surgery — were watching back home.

"We could've given up a lot of times," the Rockets' guard Kenny Smith said. "We could've given up today."

Instead, they defeated a team that had led this series, 3-1, and a player — A. C. Green — who had guaranteed victory after Game 4.

"Well, I have no words today," Green said. "It didn't

NBA PLAYOFFS

happen. I've never experienced it before, so now I have something to describe in my next book."

Speaking of books, the Rockets will be inscribed in the league's history journal.

They became only the fifth team to overcome a 3-to-1 game deficit and the first since the 1982 Sixers, who won in Boston, to win a seventh game on the road.

"Best team won," said Johnson, the Phoenix point guard. "We didn't deserve it. What's the excuse now? There is none, not when a team beats you three in a row, including twice at home."

Phoenix's halftime lead was 51-41, but Barkley had left the second quarter prematurely with a sore knee and reportedly took two shots of painkillers.

He had started swiftly, with 8 points and 7 rebounds in the first quarter, but, in the second half, the most peculiar discussion occurred: Coach Paul Westphal told Ainge to tell Barkley that Johnson would be clearing out and going one-to-one against Smith on every possession.

Barkley rolled his eyes, but middle age was obviously setting in.

The third quarter was actually sailing along nicely — the Suns were leading, 68-59, with Olajuwon on the bench with 5 minutes, 25 seconds remaining — when Drexler, who finished with 29 points — awoke.

A 22-11 surge by Houston the remainder of the quarter redirected the course of the game,

and Coach Rudy Tomjanovich not once asked Olajuwon to

budget.

"It gave me hope for the fourth quarter," Olajuwon said. "They'd taken us this far, and hopefully I could finish it."

Which Olajuwon did, scoring on fade-aways and layups until the Suns had no choice but to triple-team him in the final two minutes.

With 45 seconds left, Smith made two free throws to elevate Houston to a 110-109 lead, but Phoenix's Johnson was kneed and fouled after rebounding a Dan Majerle miss. He made the first foul shot with 21.6 seconds left, his 21st in a row, but missed the second.

Houston called time out with 20.4 seconds left, and Phoenix was trapped at midcourt.

That left it to Elie wide open in the corner. Danny Schayes was the closest defender, guarding Olajuwon. "It was either give up the jumper or let Hakeem have a dunk," Schayes said, and so he let Elie airball it.

"I've hit bigger shots," Elie said, but added: "Nah, just kidding."

Barkley limped off, having scored 18 and grabbed 23 rebounds, and he spit on the floor one last time. He could run for governor of Alabama — "But people tell me I have too many skeletons in my closet" — or more likely will be hired into a broadcast booth.

"Let me tell you all this, and I mean this sincerely," he said. "I have been talking to all my family and friends all season about retiring. Last season, my heart wasn't in it. I didn't want to retire last year. All it took was some people prodding me to talk me into it. This year is a totally different scenario."

"I think the league is up and coming. I mean, really up and coming. These young boys are really, really tough. And I don't know if I really want to play against really 25-, 26-, 27-year-olds every night. I don't want to, and don't need to do that anymore."

He said he expected to make a final decision after visiting with the team's owner, Jerry Colangelo, who didn't think he could let Barkley out of it. But that meeting would not occur on Saturday night.

"Because I'm drinking tonight," Barkley said.

Phillies Win to Better Majors' Best Mark

The Associated Press

The Philadelphia Phillies improved their record — the best in the major leagues — to 17-6 by defeating the visiting New York Mets, 5-3, Sunday.

Michael Mimbis, a rookie, pitched six strong innings and Charlie Hayes had two RBIs to lift the Phillies.

Mimbis, who lasted only 2 1/2 innings and walked five in his previous start, allowed six hits while striking out a career-high seven and walking one. Heathcliff Slocumb pitched the ninth for his 11th save.

Bobby Jones, who came into the game with a league-low 1.52 ERA, gave up four runs in the first inning.

Lenny Dykstra led off with a single, stole second, went to third on Kelly Stinnett's throwing error and scored on Mickey Morandini's single. Greg Jeffries singled Morandini to second, Darren Daulton doubled in a run and Hayes followed with a two-run single.

The Mets made it 4-2 in the fifth when Chris Jones singled and scored on Stinnett's second home run of the season.

In the sixth, Bobby Bonilla's sacrifice fly narrowed the deficit to 4-3, but the Phillies scored again in the eighth when Jones, the right fielder, let a slicing liner bounce off his glove for an error that allowed Daulton to score from second.

The Phillies have won seven of nine and 14 of their last 17 games.

Braves 5, Marlins 1: John Smoltz and Mark Wohlers combined on a two-hitter, and David Justice and Chipper Jones each drove in two runs as Atlanta, playing at home, completed a three-game sweep of Florida.

It was the fourth consecutive victory for the Braves, who have beaten the Marlins eight in a row. Florida lost for the 12th time in 14 games, including five straight.

Smoltz lost his bid for a no-hitter with one out in the sixth inning when Oquendo Verso doubled to the alley in left-center and then scored on Jerry Browne's single.

Smoltz walked two and fanned seven before being lifted for a pinch-hitter in the eighth. He retired the first 13 batters in order before walking Greg Colburn with one out in the fifth. Wohlers pitched the ninth.

The Braves added an insurance run in the eighth when Javier Lopez hit his fifth homer of the season.

The Braves jumped on an unusually wild John Burkett for two runs in the first. Atlanta loaded the bases on a single by Mike Kelly and walks to Jeff Blauser and Jones. After Fred McGriff lined out to second, Justice hit a two-run double into the right-field corner.

Atlanta chased Burkett with two more runs in the fourth. Mark Lemke doubled and Smoltz walked, with both runners advancing on Kelly's sacrifice. After Blauser grounded out to third, Jones hit a two-run single to center.

In games played Saturday:
Phillies 10, Mets 8: Kevin

Stocker drove in a career-high four runs and Mickey Morandini hit a three-run homer as

NL ROUNDUP

Philadelphia held off New York. The Phillies, playing at home, won for the 13th time in 16 games.

Padres 9, Pirates 6: Big Roberts hit a grand slam with two outs in the bottom of the ninth inning, rallying San Diego past visiting Pittsburgh. The Padres collected five runs in the ninth. Tony Gwynn also homered and

drove in three runs for San Diego.

Cubs 7, Dodgers 1: In Los Angeles, Mark Grace homered and drove in three runs as Jim Bullinger and Chicago sent Los Angeles to its fifth straight loss.

Reds 10, Rockies 9: Ron Gant, who drove in five runs, hit a game-winning single with two outs in the 10th inning, as host Cincinnati outlasted Colorado.

Braves 5, Marlins 1: Chipper Jones, a rookie, hit a one-out homer in the ninth inning, giving Atlanta a victory at home over Florida.

Astros 2, Expos 1: Dave Magadan, a pinch-hitter, drew a bases-loaded walk from Montreal reliever Jeff Shaw with one out in the 10th inning, giving Houston a victory over the visiting Expos.

Giants 10, Cardinals 7: Royce Clayton broke out of a 1-for-16 slump with a three-run double in the eighth, giving San Francisco, with seven unanswered runs, a wild victory over St. Louis. Clayton, who came to the plate batting .190, cleared the bases with a shot to the gap in left-center off Rene Arocha.

Ewing Keeps His Word: Knicks Get Game 7 With Pacers

The Associated Press

INDIANAPOLIS — Patrick Ewing said there would be a Game 7 on Sunday, and he made sure there was one.

In his best game of the series with Indiana, Ewing had 25 points and 15 rebounds Friday night in the New York Knicks' 92-82 victory, forcing the Pacers back to Madison Square Garden for a deciding game in the Eastern Conference semifinals.

Ewing, who won Game 5 for the Knicks with a shot with 1.8 seconds to play, had a key basket and rebound in the final two minutes to hold off a furious comeback by the Pacers.

"I'm a great player," he said, "and I want to prove that."

Oo Sooday, he has the chance. The winner will advance to play the Orlando Magic, which eliminated Chicago on Thursday night to win that series, 4-2.

Game 1 of the Eastern Conference finals will be played Tuesday in Orlando.

Before the game, Ewing had told reporters, "See you Sunday."

our own. We weathered the storm."

With the help of Miller. After the Pacers got within three, he committed two turnovers, Rik Smits was called for an offensive foul, and New York pumped the lead back up to eight on Ewing's hook shot with 1:50 left.

Ewing got a big rebound after Derrick McKey missed an open jumper. Byron Scott missed a long jumper, and the Pacers ran out of time.

Ewing had 15 first-half points and made nine of 13 shots from the field. He looked healthier and stronger than he had earlier in the series, when a calf injury hampered his mobility.

Miller finished with 18 points and Smits had 21, but once again, the Indiana center wasn't a factor late in the game, scoring just four points in the final period. And Miller wasn't a factor early in the contest.

"Rik had it going in the first quarter and beginning of the third quarter," Miller said.

Timber Country Triumphs, Thunder Gulch Runs Third

Los Angeles Times Service

BALTIMORE — Timber Country, the colt who had exhausted all of his trainer's excuses, won the 120th running of the Preakness on Saturday, sending Wayne Lukas to the top of several pages in the Triple Crown record book.

Aggressively ridden by Pat Day, who was criticized by Lukas and others for his laid-back ride to third place in the Kentucky Derby, Timber Country blew past his stablemate, the Derby winner Thunder Gulch, in mid-stretch and then held off longshot Oliver's Twist for a half-length victory.

Oliver's Twist, vanned to Pimlico from his trainer Billy Boniface's Maryland farm several hours before the race, was a 25-1 shot who finished a neck in front of Thunder Gulch.

By winning the Derby with Thunder Gulch and the Preakness with Timber Country, Lukas became the fourth trainer, and the first since Humming Bob Smith in 1934, to win the first two legs of the Triple Crown in the same year with different horses. Lukas indicated that Timber Country and Thunder Gulch will both run in the Belmont on June 10, when he could become the first trainer to sweep the Triple Crown with different horses.

On a fast track, Timber Country ran 1 3/16 miles in 1:54 2/5, a second slower than the record shared by Secretariat in 1973 and Tank's Prospect in 1985.

Thunder Gulch finished four lengths ahead of Star Standard, the fourth-place finisher, who was followed across the wire by Mecke, Talkin Man, Our Gatsby, Mystery Storm, Tejanos Run, Pana Brass and Itron.

CROSSWORD

ACROSS

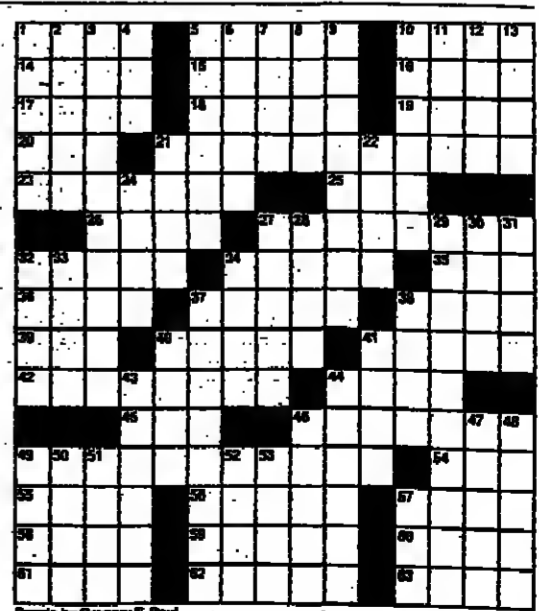
- 1 Be an omen of
- 5 Sen. Henry — Lodge
- 10 Discharge
- 14 Confess
- 15 "Let sleeping dogs lie," e.g.
- 16 Bestow
- 17 Woe
- 18 Skin holes
- 19 Quiet valley
- 20 Where — at (the scene)
- 21 Pack of trouble
- 22 Conceal
- 25 Corporate V.I.P.
- 26 Employ
- 27 Cowboy
- 32 Dodge
- 34 "The Peace Not Taken" poet
- 36 Investment limits
- 37 Compos mentis
- 38 Crop up
- 39 Daily Planet reporter
- 40 — 190-100
- 41 Kind of clown
- 42 Cowboy's home
- 43 Circus heavyweight
- 44 Puts on TV

Solution to Puzzle of May 19

PAIRE BEARD
BULLETS OUTRAIT
ALLEGRO INGENUE
LIST SEVENTH KEA
SOIN LEE NEAR
AMMO ALL DROSSY
WEET FISH EYVE
HALF OMIT
RAID TOBS OBIS
MAJESTIC BANC
ACCELF EGG
GEO SCISSOR TEN
MILHOUS ORIFICE
AGAINST SALLOTS
HEDGE CLEAINS

DOWN

- 1 Foundation
- 2 Egg-shaped
- 3 Little likelihood
- 4 Lamb's mother
- 5 "Breakfast at Tiffany's" writer
- 6 Hold dear
- 7 Farm building
- 8 Double-curved molding
- 9 Legal precedent
- 10 Yuletide drink
- 11 Ryan's run
- 12 "As I was going to St."
- 13 Camp shelter
- 14 In this spot
- 15 Faced
- 16 Roller coaster, for one
- 17 Piece for a bracelet
- 18 Mr. Perot
- 19 Largest part
- 20 Guitarist Clapton
- 21 Baby's diaper problem
- 22 Villa d'
- 23 Colorado resort
- 24 Football's Turkentor
- 25 One way to order on a menu
- 26 "Doctor Zhivago" heroine
- 27 How
- 28 Barbecue entree
- 29 Firing range weapon
- 30 "The Glass Menagerie" role
- 31 Compulsory messages
- 32 Athenian lawgiver



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APR 22 1995

A Sect's Attraction/In Blind Obedience Is Freedom

Young, Gifted and Lost
Scientists Who Answered the Call of AumBy Sheryl WuDunn
New York Times Service

TOKYO — Koichi Ishikawa was a brilliant, dedicated student at a top high school, passed Japan's toughest entrance exam to study medicine at Tokyo University and was destined for a promising career.

Then he joined Aum Shinrikyo, the religious sect suspected of staging the poison gas attack in the subway system that killed a dozen people and injured 5,500. Now Mr. Ishikawa, 26, is sitting in a jail cell, a suspect in various crimes committed by Aum.

In cells nearby are his Aum comrades, also graduates of Japan's equivalents of Harvard, Princeton and Yale, trained scientists who proved that they had what it takes to get ahead.

As Japan struggles to assess what went wrong with these serious, smart young people, many scholars and commentators are pointing their fingers in an unusual direction: the schools. Japan may have one of the world's most admired educational systems, but the critics say it teaches young people to memorize instead of to think.

Young people spend so much time hunched over desks, the critics say, that they fail to develop sufficient social skills. Many of them — and they seem to be more common in Japan — resemble the stereotype of the computer nerd: brilliant, driven but utterly lost when in human company.

"It reflects a profound crisis in the educational system," said Alfons Deeken, a long-time professor of philosophy at Sophia University in Tokyo.

"Many Japanese students are absorbing ever greater amounts of information, but they don't acquire the ability to make value judgments on basic human values, like responsibility for human life or respect for freedom of the individual."

Typically, Japanese students attend school for about 240 days a year, one-third longer than American students. In addition, many go to cram schools or after-school lessons almost as soon as they learn to read, and they test their way into classes from kindergarten to college.

They are taking calculus when American students are struggling through geometry, and English about the same time that many Americans are learning their rules of grammar. But while many Japanese have studied English for nearly a decade by the time they reach college, very few can speak it.

PERHAPS that is indicative of the system: Students are able to absorb rules and vocabulary but often cannot use what they have learned in the real world.

"These guys in the science division have no time to relax," said Yoichi Masuzoe, a former politics professor at Tokyo University who taught some of the Aum members but hardly remembers them. "They should have read more literature, like Shakespeare. Then they could have learned what human beings are. They lack an understanding of human nature."

Takashi Sasaki, a professor of political science at Tokyo University, was more pointed. "In this society, there isn't any organization which can train young talented people into mature personalities," he said. "The deficiency in social relations in Japan is a serious issue. Social relations are more or less being destroyed by the examination-centered life."

Scholars, of course, do not blame Japan's educational system entirely for Aum's terrorism, and by many standards the system is a model one. Many Americans would love to have Japanese-style schools, which do an admirable job in teaching reading, writing and

trigonometry. Japanese students often have some of the highest average test scores in international comparisons.

There is also no doubt that Aum's techniques in recruitment and mind control play a more direct role in roping in its members. But the complaint is that in turning out naive, vulnerable students, Japan's schools leave them as open prey for a charismatic leader like Aum's guru, Shoko Asahara, 40, a yoga expert.

College students are often searching for explanations to life that cannot be found in their textbooks. And Mr. Asahara, with his flowing pink robes, open arms and assertions that Aum is the key to enlightenment, may appear as a fatherly savior to them.

FUMIHIRO Joyu, 32, the sect's spokesman and a graduate of Waseda University, said to an interviewer recently that he joined the sect because it gave him a purpose in life.

"I wanted my life to be meaningful," he said. "I did not want my life to be meaningless."

Mr. Asahara, who was arrested Tuesday in his hideout, insisted on complete obedience from his disciples. But once they proved their loyalty, they were apparently given substantial freedoms, important jobs in the organization and prestigious titles.

At least 11 of Mr. Asahara's top disciples — effectively his cabinet members — were educated in science and engineering at top universities, where experimental laboratory budgets are tiny and competition is fierce.

Some say that Aum basically bought out these scientists. They were given enormous sums of money to pursue research projects, so long as the research advanced Aum's interests.

"It is a big jump to believe in the guru," said Akira Asada, an economics professor at Kyoto University. "But once they make the jump, they are simply given freedom and financial support to pursue mad projects."

Of course, the motivations for joining the cult are easier to understand than those for committing mass murder. But the very strong sense of identity with Mr. Asahara, and of loyalty to the sect rather than to society, may have helped cultivate a blind obedience.

"I kept hesitating because I realized many people would die," Kuo Hayashi told the police in a jail-house confession, according to the newspaper Asahi.

Mr. Hayashi, a cardiac surgeon and Aum official, is said to have confessed to taking part in the subway attack.

"Again and again, I tried to stop what I was about to do, but I was unable to disobey the sect's orders," the newspaper quoted Mr. Hayashi as saying.

Another example is Hideo Mura, who graduated from Osaka University. Specializing in aerospace physics, Mr. Mura pursued research in aerospace technology for Kobe Steel before he became an Aum member.

He soon won the trust of Mr. Asahara and became the head of the sect's "science and technology" department. In this position, he is believed to have been given an important challenge: to help organize the sarin gas attack on the Tokyo subway on March 20.

BUT Mr. Mura may have done or known too much. He once revealed that Aum had assets worth 100 billion yen, or nearly \$1.2 trillion. In April he was stabbed to death by a member of an underworld gang.

Mr. Mura's disclosure remains one of the mysteries of Aum. While Aum demanded that its 10,000 Japanese members donate all their possessions to the sect when they joined, it is still unclear how or why Aum accumulated such a large amount of money.



Mr. Joyu joined Aum Shinrikyo because "I wanted my life to be meaningful."

It has led some scholars to suspect that Mr. Asahara was intent on building some sort of empire. The guru's motives are unclear, but some say he had both material and political ambitions and had set up a hierarchical structure to support those goals.

"It was similar to the Nazi party and the Stalinist system in that the same kind of mass hypnotism exists," said Hiroyoshi Ishikawa, a professor of social psychology at Seijo University. "The young people in the group have many frustrations and are discontent with society."

"In this situation, the group can easily become a big psychological apparatus, a psychological machine that substitutes their frustration with revolution."

Partly blind, Mr. Asahara showed a desire to be a leader while attending a school for the blind. His eyesight was apparently stronger than that of the other children and he would often strike a deal with them: he would lead them all to a restaurant if they paid for his meals.

As a young man, Mr. Asahara appears to have been unusually ambitious — or, as people now say, obsessed with power. He told a number of acquaintances, for example, that he wanted to be prime minister.

In 1990 Mr. Asahara ran for Parliament and lost. Giving up on the electoral system, he sought power in other ways. His organization was growing into a mini-nation, a state within a state with cabinet members and various ministries from health and welfare to finance and self-defense.

Moreover, he had begun to amass a giant

stockpile of tons of chemicals, some of which were suspected of being used to make sarin gas. Meanwhile, he was telling his followers about an imminent World War III, an Armageddon that would strike the world but permit Aum to survive.

"Asahara is a total materialist," said Yoshiyuki Abe, a religion professor at Kokugakuin University. "He's interested in assuming assets and acquiring control. Power and money."

SOME scholars say Mr. Asahara staged the gas attack on the subway as a way of waging war on the Japanese government. But it is still far from clear exactly how the sarin gas attack fit into his overall grand designs.

One theory is that having predicted Armageddon, he wanted to make it come true.

Another is simply that he was obsessed by power, including the power to use toxic chemicals and see their effects.

A third theory has to do with reports that Mr. Asahara is in poor health, that he is dying of one ailment or another. So, newly reminded of his own mortality, he wanted to lead people not only in life but into death as well.

The one person who could shed the most light on this is Shoko Asahara himself, but he is not saying much. He sits in his jail cell, exchanging small talk with the police but insisting on his innocence and refusing to enter substantive interrogation.

"How could a blind man like me commit such a crime?" he is said to have told the police soon after his arrest. "But I don't think you will believe what I'm saying."

Lagos 'Drug Czar'
Trips Up in U.S.Envoy Fails to Be Convincing
On Nigeria Dope CrackdownBy Thomas W. Lippman
Washington Post Service

WASHINGTON — The United States has worse relations with Nigeria than with any other large regional power except Iran and there was little sign of improvement after the visit here last week of Adamu A. Mohammed, the career diplomat who recently became Nigeria's "drug czar."

Mr. Mohammed's mission was to convince U.S. officials that the military government headed by General Sani Abacha is serious about ending what some consider to be Nigeria's role as a heroin trafficking center.

He is an engaging, persuasive diplomat who argues his case forcefully, but he got, at best, a cool reception, according to U.S. officials. By some accounts, he was laughed out of town.

"We know their pitch. Our question is what have you done?" a State Department official said after Mr. Mohammed met with Assistant Secretary of State Robert S. Gelbard, head of the department's so-called "drugs and thugs" unit. "They haven't shown us anything yet."

At the Drug Enforcement Administration, officials who were asked about the results of meetings with Mr. Mohammed said the situation in Nigeria is as it was in late March, when Robert J. Nieves, chief of international operations for the Drug Enforcement Agency, told Congress that "Nigerian traffickers are pivotal to the worldwide trafficking" of heroin and cocaine and are "a major force in the U.S. drug trade."

On Capitol Hill, where Mr. Mohammed was turned away by influential members of Congress, a longtime follower of Nigerian affairs said the Nigerians "keep talking about what they're going to do."

"They ask for technical assistance. Well, we can't send some dogs over there, and you can't bribe a dog. It was not a career-enhancing move for someone to have those dogs go off when a cabinet minister's wife walked by."

The government has a long list of grievances with the Abacha government, which Washington regards as an increasingly dictatorial and corrupt regime.

It has jailed opposition leaders, muzzled Nigeria's press and tolerated what the State Department calls "rampant corruption in every law enforcement body."

Nigerian officials are prohibited from visiting the United States unless they receive waivers, which Mr. Mohammed did. Aid is also barred because Nigeria is listed as noncooperative on drug issues, but the U.S. Agency for International Development is planning to seek a waiver to provide \$11.25 million in fiscal 1996 "to slow the economic and political deterioration and prevent a catastrophe that would affect the supply of oil to the United States and Nigerian peacekeeping efforts."

Mr. Mohammed said in an interview that he was pained and surprised by the extent of the skepticism he found here about Nigeria's sincerity in fighting drugs.

He said the government has created "a very powerful task force of cabinet ministers to address drug matters and financial crimes" and he has a budget of \$100 million this year to fight drug traffic.

According to the State Department's annual report on worldwide narcotics traffic, published in April, Nigeria has made some modest efforts to interdict heroin and cocaine shipments and did arrest and deliver three drug dealers sought by U.S. authorities.

But Nigeria's campaign focused on low-level drug couriers rather than major networks, and the government made no arrests for money-laundering, investigated no senior officials and failed to protect judges from retaliation in drug cases, the report said.

Mr. Mohammed said Mr. Nieves' testimony and the State Department's report reflect conditions in the past and are no longer accurate.

TRAVEL UPDATE

Manila Faces Ban on U.S. Flights

MANILA (AP) — The U.S. government is threatening to cancel all U.S.-bound flights from Manila unless the authorities improve security at the capital's Ninoy Aquino International Airport, Philippine officials and reports said Monday.

The Business Daily Newspaper said the warning was issued this month by the Federal Aviation Administration, which gave Philippine authorities three months to make the required improvements. In a statement, the Philippine Department of Transportation and Communications deplored the release of the "confidential" report and expressed confidence that the airport could meet the 90-day deadline.

The department said the country's second major international airport, in Cebu, 350 miles (560 kilometers) southeast of Manila, had received passing marks from the aviation administration. U.S. Embassy officials declined to comment on the report.

Vietnam will begin work this year on a \$50 million terminal for Hanoi's Noi Bai International Airport, an official report said Monday. Aviation authorities say the terminal could handle 2.5 million airline passengers a year after the first phase was completed in 1997, the state-run Vietnam News reported. (AP)

Railroad safety in Bulgaria is being threatened by widespread theft of copper cables for scrap metal, the state network said Monday. (Reuters)

Cheaper long-distance calls from Beirut can now be made via Tel Aviv, an Israeli company announced Monday. The company, Euronet, said it charged 20 percent less for calls than the Israeli public telephone company, Bezeq. (AFP)

Les Aspin Dies, Was Lawmaker and Defense Chief

New York Times Service

WASHINGTON — Les Aspin, 56, a Democratic representative from Wisconsin for 22 years and secretary of defense for the first 11 months of the Clinton administration, died Sunday night. He had suffered a stroke Saturday.

Mr. Aspin was elected to Congress in 1970 in large part because of his opposition to the war in Vietnam, and in his early years in Congress he was an outspoken critic of the Pentagon.

But his views shifted after he became chairman of the House Armed Services Committee in 1985. He endorsed much of the military buildup under President Ronald Reagan and was a strong supporter of the Gulf war against Iraq under President George Bush.

As secretary of defense, Mr. Aspin was involved in some of

the toughest international and domestic policy matters faced by President Bill Clinton in his first year. By the end of the year, he was viewed by the White House as indecisive and a disappointment. He would probably have been forced from office had he not resigned in December 1993.

He had been working this year as the chairman of a presidential commission charged with reviewing the operations of the nation's intelligence services, particularly the CIA.

Leslie Aspin Jr. was born on July 21, 1938, in Milwaukee. He earned an undergraduate degree from Yale University, a master's degree from Oxford University and a doctorate in economics from the Massachusetts Institute of Technology.

In the 1960s, he performed his military service as an economist at the Pentagon under De-

fense Secretary Robert S. McNamara.

In 1970, at the age of 32, he was elected to the House from a district in southeastern Wisconsin on a platform that stressed opposition to the Vietnam War and his advocacy of environmental regulations.

In Congress, Mr. Aspin was appointed to the Armed Services Committee and immediately began to attack the close relationship between senior lawmakers and the Pentagon.

Week after week, he issued news releases exposing what he believed to be wasteful Pentagon spending. He criticized a wide range of practices, including poison gas experiments, expensive uniforms for officers, cost overruns in shipbuilding and the care of officers' pets at government expense. He was also at the forefront of various anti-war efforts in Congress.

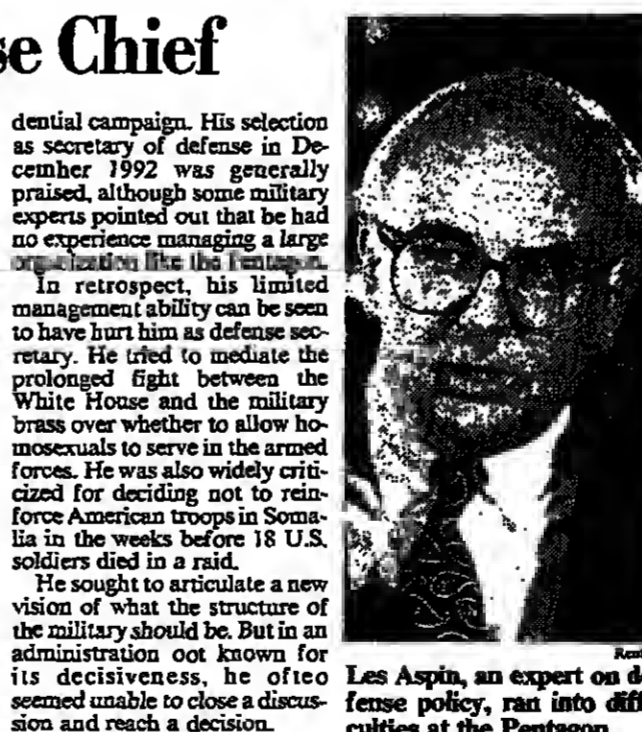
In 1992, along with Senator Sam Nunn of Georgia, chairman of the Senate Armed Services Committee, Mr. Aspin was a chief adviser on military policy to Mr. Clinton's presi-

dential campaign. His selection as secretary of defense in December 1992 was generally praised, although some military experts pointed out that he had no experience managing a large organization like the Pentagon.

In retrospect, his limited management ability can be seen to have hurt him as defense secretary. He tried to mediate the prolonged fight between the White House and the military brass over whether to allow homosexuals to serve in the armed forces. He was also widely criticized for deciding not to reinforce American troops in Somalia in the weeks before 18 U.S. soldiers died in a raid.

He sought to articulate a new vision of what the structure of the military should be. But in an administration not known for its decisiveness, he often seemed unable to close a discussion and reach a decision.

Mr. Aspin, an expert on defense policy, ran into difficulties at the Pentagon.



Les Aspin, an expert on defense policy, ran into difficulties at the Pentagon.

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